



葉氏化工集團有限公司  
Yip's Chemical Holdings Limited

股份代號 Stock Code: 408

**2006-07**  
Annual Report 年報



「乘中國經濟起飛的東風，  
不斷茁壯成長。」

## 我們

- 為全中國最大的醋酸酯生產商，以及全球第四大生產商
- 核心業務為生產及銷售溶劑、塗料以及潤滑油
- 集團於中國設有十五間廠房，覆蓋中國主要城市

因為專注 所以專業



“To scale greater heights on the back of China’s rapid growth.”

## *We are*

- 4th largest producer of acetate solvents in the world and largest in China
- Business focused – core business of solvents, coatings and lubricants
- China focused – 15 production plants in China

**Dedication Breeds Professionalism**



## 集團宏圖

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專注本業，  
不斷地為員工和股東們  
贏取最佳的利益與回報。

永遠信守：

- ▼ 積極研製顧客導向的石油化工新產品；
- ▼ 不斷向顧客提供驚喜服務；
- ▼ 員工自強不息優質化；
- ▼ 合力創造，共同分享集團豐碩的成果！

集團管理委員會

## Group Aspirations

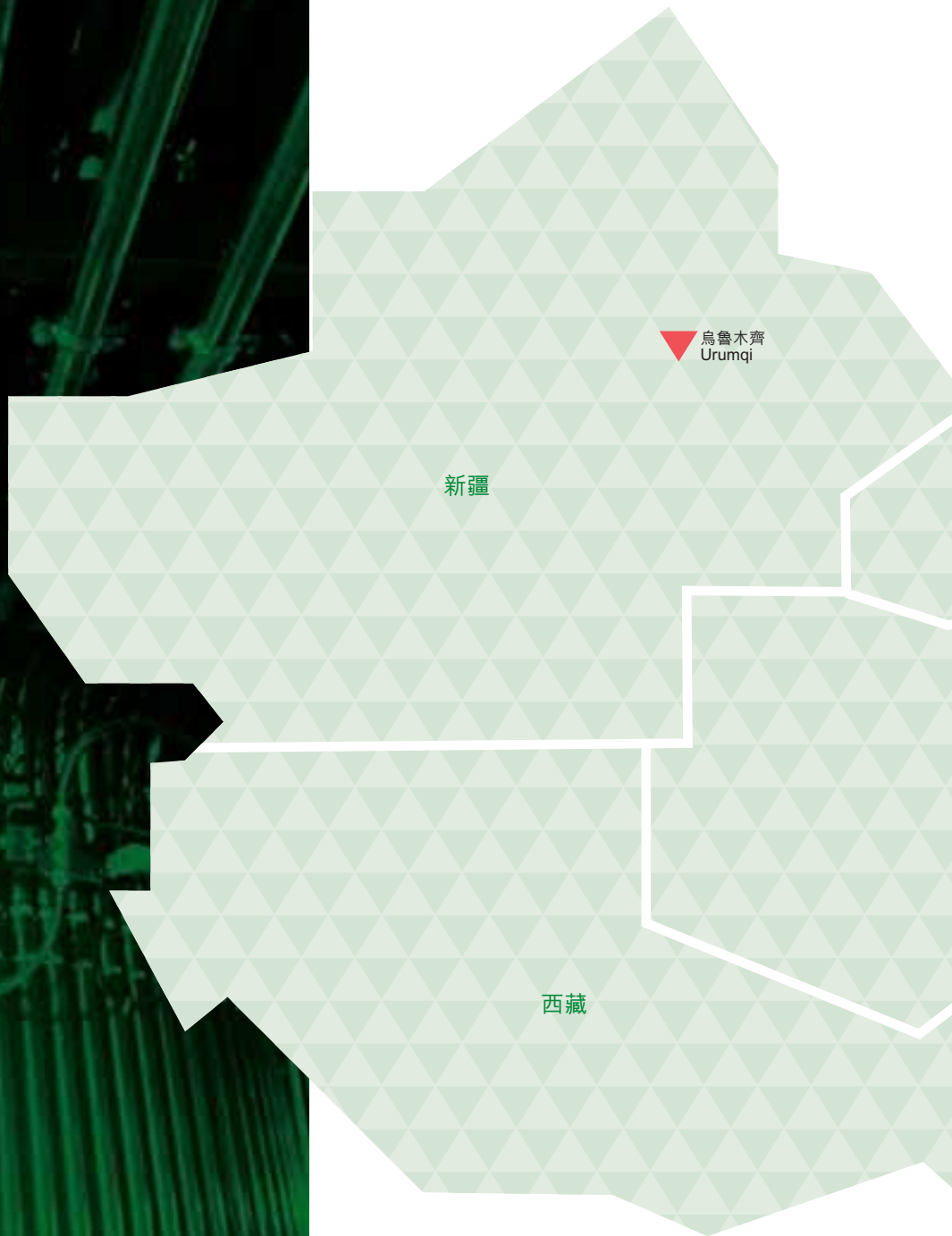
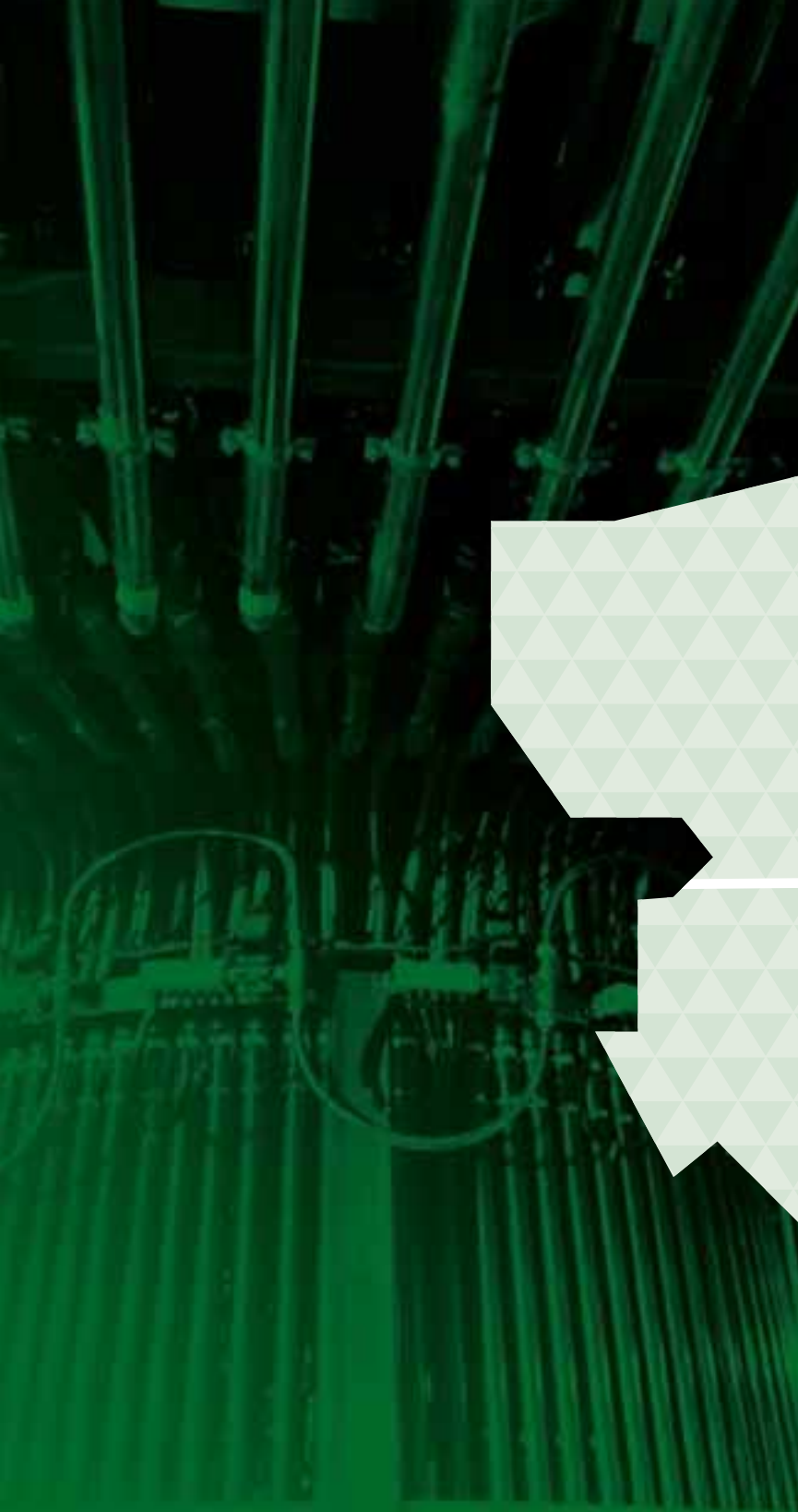
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To continually seek the optimal returns for the benefit of our employees and our shareholders through staying close to our core businesses and thereby enhancing and exploiting our competitive advantages.

We pledge always to:

- ▼ actively research for and manufacture innovative customer-oriented petrochemical products;
- ▼ support customers with our wow services;
- ▼ enable our staff to achieve continuous self-improvement;
- ▼ create with joint forces and share the fruitful results of the Group!

Group Management Committee

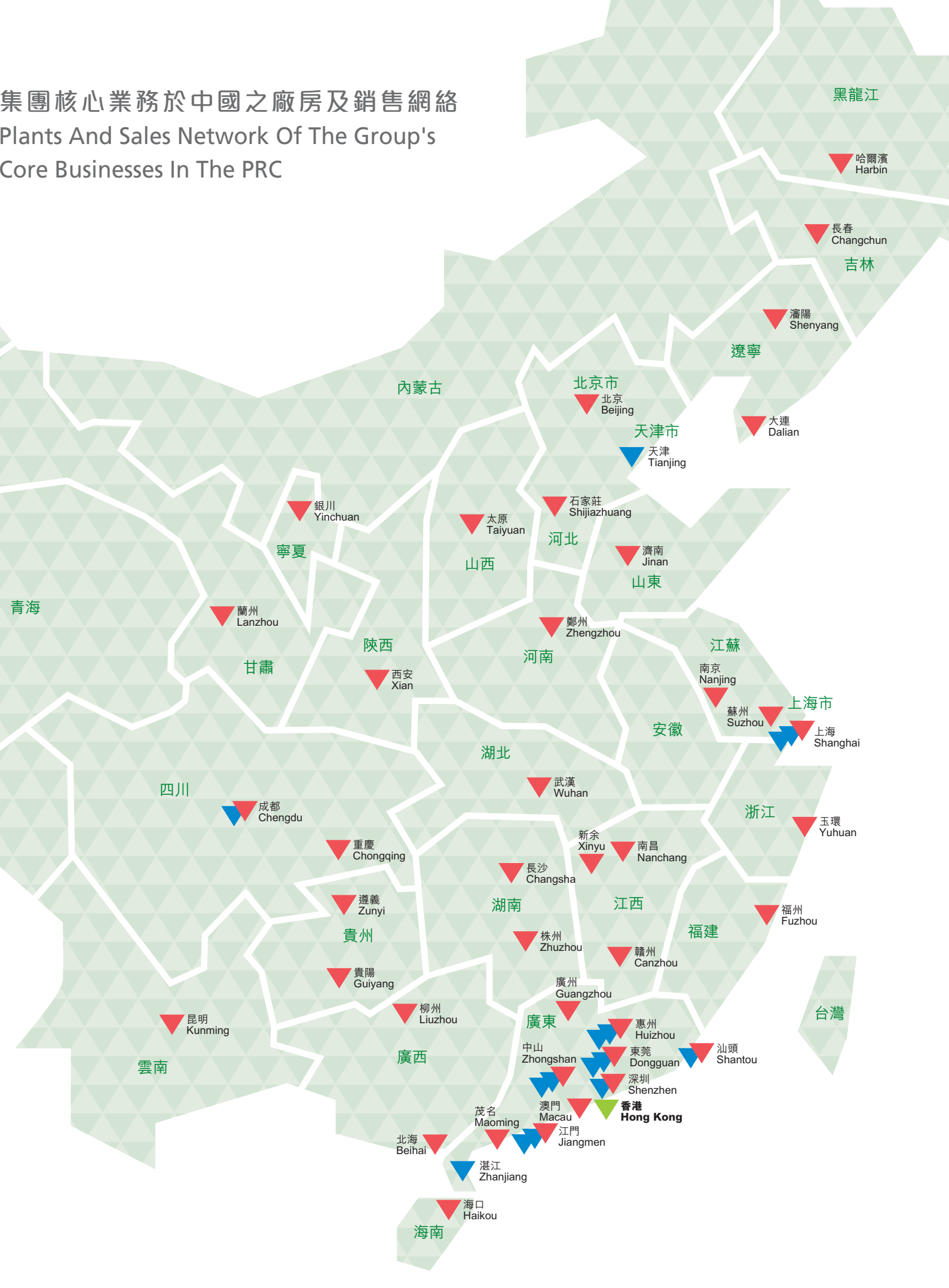


公司總部  
Headquarters

廠房位置  
Locations of factories

銷售點、辦事處、分公司位置  
Locations of sales outlets, representative  
offices, branch offices

# 集團核心業務於中國之廠房及銷售網絡 Plants And Sales Network Of The Group's Core Businesses In The PRC



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### 董事會

主席及董事總經理

葉志成先生

### 董事

葉鳳娟小姐(副主席)

葉子軒先生(副主席)

吳紹平先生

丁漢欽先生

黃金焰先生(副行政總裁)

楊民儉先生

### 非執行董事

唐匯棟先生

### 獨立非執行董事

黃廣志先生

歐陽贊邦先生

李澤民先生

### 公司秘書

吳紹平先生

### 核數師

德勤•關黃陳方會計師行

(香港執業會計師)

### 律師

香港：

張秀儀、唐匯棟、羅凱栢律師行

香港港灣道三十號

新鴻基中心十六樓

一六二一至三三三室

開曼群島：

Maples and Calder

Cayman International

Trust Company Building

Albert Panton Street, George Town

Grand Cayman, Cayman Islands

### Board Of Directors

Chairman and Managing Director

Mr. Ip Chi Shing, Tony

### Directors

Ms. Ip Fung Kuen (Deputy Chairman)

Mr. Yip Tsz Hin, Stephen (Deputy Chairman)

Mr. Ng Siu Ping, George

Mr. Ting Hon Yam

Mr. Wong Kam Yim, Kenny (Deputy Chief Executive Officer)

Mr. Young Man Kim, Robert

### Non-Executive Director

Mr. Tong Wui Tung, Ronald

### Independent Non-Executive Directors

Mr. Wong Kong Chi

Mr. Au-Yeung Tsan Pong, Davie

Mr. Li Chak Man, Chuck

### Company Secretary

Mr. Ng Siu Ping, George

### Auditors

Deloitte Touche Tohmatsu

(Certified Public Accountants)

### Solicitors

**in Hong Kong:**

Cheung, Tong & Rosa

Rooms 1621-33, 16/F., Sun Hung Kai Centre

30 Harbour Road

Hong Kong

**in the Cayman Islands:**

Maples and Calder

Cayman International

Trust Company Building

Albert Panton Street, George Town

Grand Cayman, Cayman Islands



### 主要往來銀行

香港上海匯豐銀行有限公司  
恒生銀行有限公司  
中國銀行股份有限公司  
法國巴黎銀行  
德國裕寶聯合銀行  
中國工商銀行(亞洲)有限公司  
瑞穗實業銀行  
東亞銀行(中國)有限公司

### 主要股份過戶登記處

Butterfield Fund Services (Cayman) Limited  
Butterfield House, 68 Fort Street  
PO Box 705, George Town  
Grand Cayman, Cayman Islands

### 香港股份過戶登記處

秘書商業服務有限公司  
香港灣仔  
皇后大道東二十八號  
金鐘匯中心二十六樓

### 註冊辦事處

PO Box 309GT, Ugland House  
South Church Street  
George Town, Grand Cayman  
Cayman Islands

### 總辦事處及主要營業地點

香港新界  
粉嶺安樂村  
業暢街十三號  
葉氏化工大廈  
電話：(852) 2675 2288  
圖文傳真：(852) 2675 2345  
互聯網網址：  
<http://www.yipschemical.com>

### 股份代號

408

### Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited  
Hang Seng Bank Limited  
Bank of China Limited  
BNP Paribas  
Bayerische Hypo- und Vereinsbank AG  
Industrial and Commercial Bank of China (Asia) Limited  
Mizuho Corporate Bank, Ltd.  
Bank of East Asia (China) Co., Ltd.

### Principle Share Registrar And Transfer Office

Butterfield Fund Services (Cayman) Limited  
Butterfield House, 68 Fort Street  
PO Box 705, George Town  
Grand Cayman, Cayman Islands

### Hong Kong Share Registrar And Transfer Office

Secretaries Limited  
26/F., Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

### Registered Office

PO Box 309GT, Ugland House  
South Church Street  
George Town, Grand Cayman  
Cayman Islands

### Head Office And Principal Place Of Business

Yip's Chemical Building  
13 Yip Cheong Street  
On Lok Tsuen, Fanling  
New Territories, Hong Kong  
Tel: (852) 2675 2288  
Fax: (852) 2675 2345  
Internet homepage:  
<http://www.yipschemical.com>

### Stock Code

408

## 五年財務概要表

## Five Year Financial Summary

截至三月三十一日止年度 Year ended 31st March,

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
<b>業績 Results</b>					
營業額 Turnover	3,913,835	3,329,670	2,677,599	1,798,614	1,422,756
經營溢利 Profit from operations	347,951	239,953	183,860	127,375	118,273
利息費用 Interest expense	(26,251)	(21,538)	(4,626)	(3,041)	(2,417)
出售租賃土地及樓宇之盈利 Gain on disposal of leasehold land and building	-	-	-	-	8,772
除稅前溢利 Profit before taxation	321,700	218,415	179,234	124,334	124,628
稅項 Taxation	(51,982)	(21,681)	(13,401)	(12,760)	(5,322)
本年度純利 Profit for the year	269,718	196,734	165,833	111,574	119,306
應佔溢利 Attributable to					
本公司股東 Equity holders of the Company	223,636	168,389	123,150	96,161	103,217
少數股東權益 Minority interests	46,082	28,345	42,683	15,413	16,089
	269,718	196,734	165,833	111,574	119,306
<b>每股資料 Per share data</b>					
每股盈利(港仙) Earnings per share (HK cents)					
▼基本 Basic	46.6	35.5	26.3	20.7	21.1
▼攤薄 Diluted	46.1	35.2	26.1	20.6	20.9
每股股息(港仙)* Dividend per share (HK cents)*	20.0	14.0	12.0	10.0	9.0
<b>財務比率 Financial ratios</b>					
平均總資產回報率 Return on average total assets	10.8%	9.6%	8.8%	9.0%	12.0%
平均股東資金回報率 Return on average shareholders' funds	22.4%	20.4%	17.1%	14.9%	17.2%
利息比率(倍數) Interest cover (times)	13.3	11.1	39.7	41.9	48.9

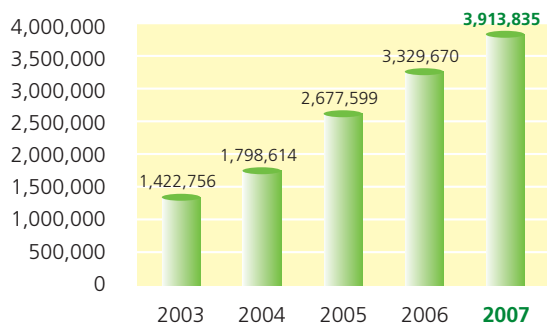
\* 二零零七年之每股股息包括特別股息2.0港仙。

\* Dividend per share in 2007 included the special dividend HK2.0 cents per share.

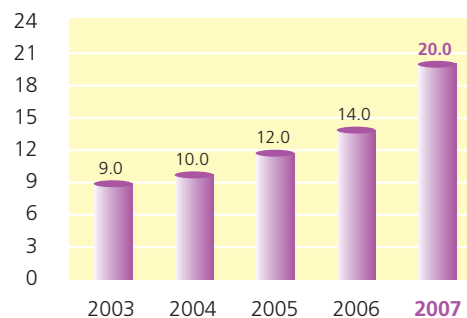
於三月三十一日 At 31st March,

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
<b>資產負債表 Balance Sheet</b>					
資產總值 Total assets	2,263,205	1,876,324	1,620,091	1,181,181	957,865
負債總值 Total liabilities	(1,029,518)	(893,103)	(804,962)	(465,792)	(313,915)
	1,233,687	983,221	815,129	715,389	643,950
本公司股東應佔權益 Equity attributable to equity holders of the Company	1,103,808	893,951	759,774	676,456	612,116
少數股東權益 Minority interests	129,879	89,270	55,355	38,933	31,834
	1,233,687	983,221	815,129	715,389	643,950
淨銀行借貸對股東資金比率 Net bank borrowings to shareholders' funds	14%	28%	31%	13%	N/A

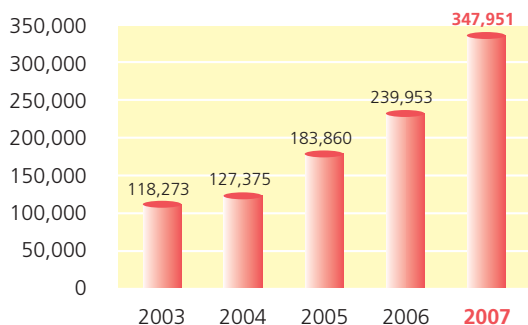
營業額(千港元)  
Turnover (HK\$'000)



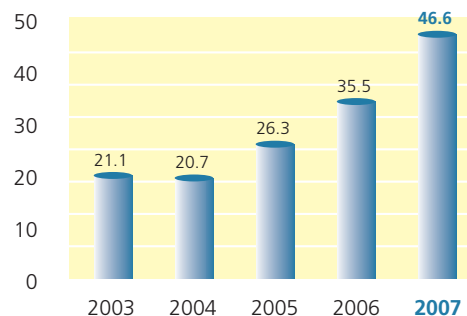
每股股息(港仙)  
Dividend per share (HK cents)



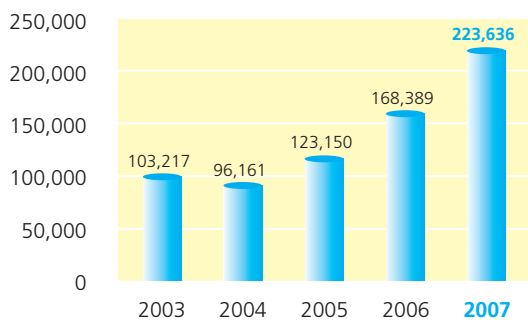
經營溢利(千港元)  
Profit from operations (HK\$'000)



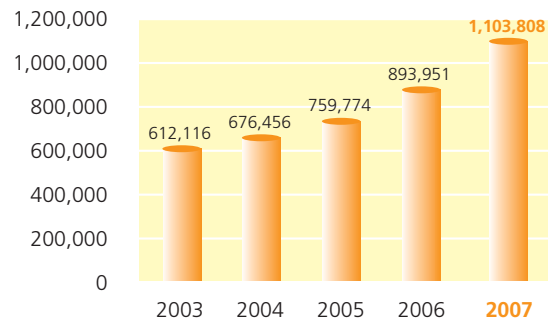
每股盈利(港仙)  
Earnings per share (HK cents)



本公司股東應佔溢利(千港元)  
Profit attributable to equity holders of the Company (HK\$'000)



本公司股東應佔權益(千港元)  
Equity attributable to equity holders of the Company (HK\$'000)



## 營業額及經營溢利之 五年分析

## Analysis Of Turnover And Profit From Operations For The Past Five Years

### 營業額 Turnover

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
溶劑 Solvents	2,241,252	1,973,581	1,584,016	868,370	621,823
塗料 Coatings	1,442,874	1,196,034	1,067,872	873,515	720,915
潤滑油 Lubricants	205,524	219,314	114,877	104,537	118,624
其他 Others	120,727	64,023	22,683	23,151	18,056
交易抵銷 Elimination	(96,541)	(123,282)	(111,849)	(70,959)	(56,662)
<b>總額 Total</b>	<b>3,913,836</b>	<b>3,329,670</b>	<b>2,677,599</b>	<b>1,798,614</b>	<b>1,422,756</b>

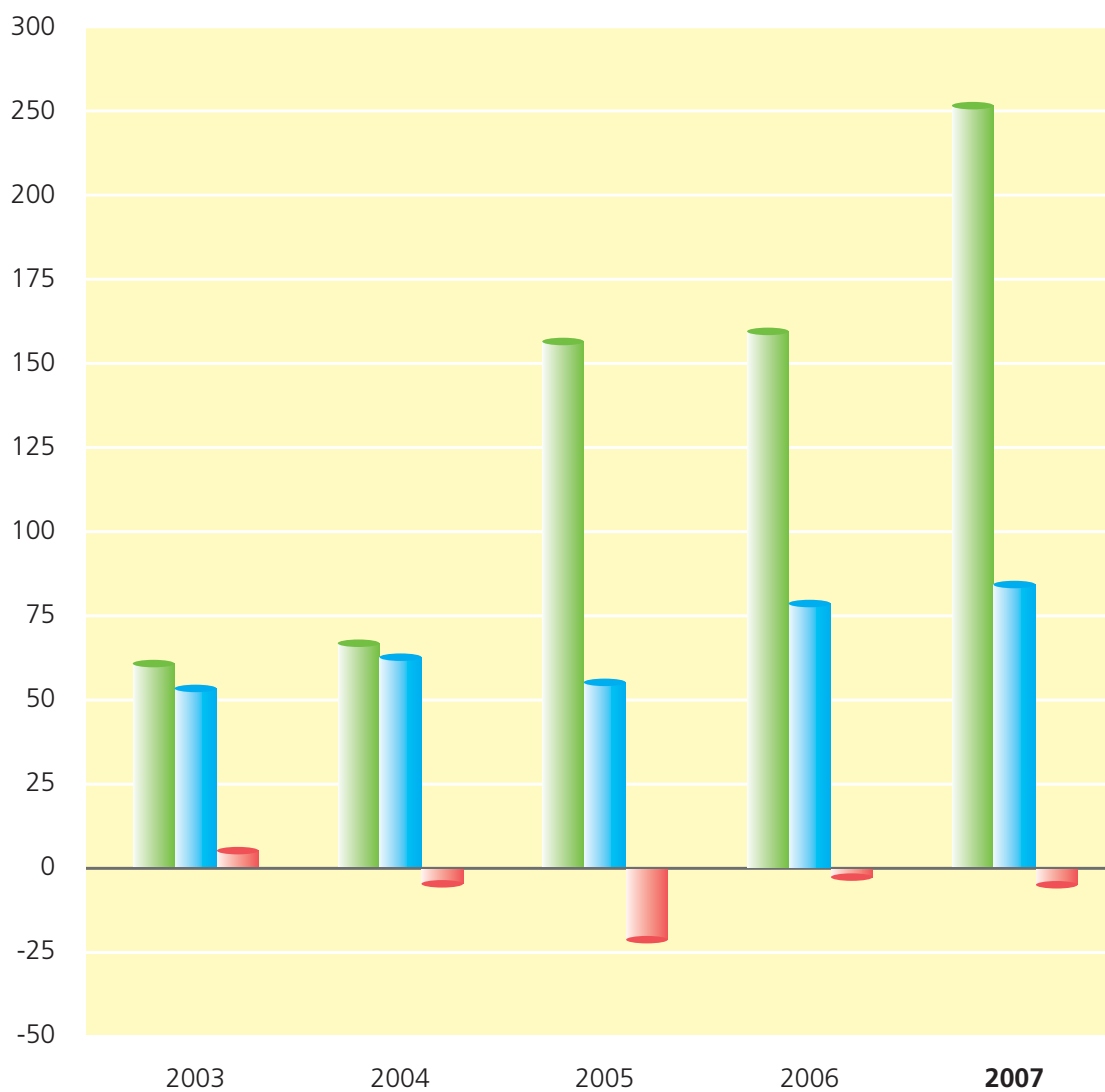
營業額(百萬港元)  
Turnover (HK\$'Million)



## 經營溢利 Profit from operations

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
溶劑 Solvents	252,324	157,262	155,483	66,860	62,046
塗料 Coatings	88,501	80,568	53,674	62,584	52,311
潤滑油 Lubricants	(6,384)	(296)	(22,742)	(4,110)	3,133
其他 Others	13,952	5,736	591	4,295	3,336
交易抵銷 Elimination	111	(260)	16	(100)	(103)
	<u>348,504</u>	<u>243,010</u>	<u>187,022</u>	<u>129,529</u>	<u>120,723</u>
利息收入 Interest income	5,375	1,713	750	648	804
未分配集團費用 Unallocated corporate expenses	(5,928)	(4,770)	(3,912)	(2,802)	(3,254)
<b>總額 Total</b>	<u><u>347,951</u></u>	<u><u>239,953</u></u>	<u><u>183,860</u></u>	<u><u>127,375</u></u>	<u><u>118,273</u></u>

經營溢利(百萬港元)  
Profit from operations (HK\$'Million)



溶劑  
Solvents

塗料  
Coatings

潤滑油  
Lubricants





### 業務回顧

本人欣然向集團全體股東呈報本年度的業務概況，受惠於中國的經濟持續蓬勃增長，對集團的核心化工產品需求不斷地增加。同時集團本身在優化和提昇各項核心業務的綜合性競爭力方面，繼續取得顯著成效，因此期內集團所錄得的營業額和股東應佔溢利均同時再次創下歷史的新高，達到3,913,835,000港元和223,636,000港元，分別比較去年大幅增長18%和33%。與此同時，集團各級管理層通過採取各項有效務實的措施，在壓縮應收帳、倉存、資本性投資、以及提昇盈利質素等各方面，持續取得令人鼓舞的成果，在銷售額連續多年高速增長的情況下，集團的借貸水平反而持續地取得改善，由二零零六年的28%、二零零七年中期的31%下降至目前的14%。董事會建議派發期末股息每股12.0港仙，連同中期已派發的正常和特別股息合共8.0港仙，全年共派每股20.0港仙，比較去年的14.0港仙增加43%，集團的股東資金回報率則持續維持在22%以上的較高水平。

### Business Review

It gives me great pleasure to report to our shareholders our business performance for the financial year ended on 31st March, 2007. Over the past year, China's economy continued to grow, creating strong demand for the Group's products. At the same time, the Group successfully improved the competitiveness of each of the core businesses. As a result, both turnover and profit attributable to shareholders reached record levels of HK\$3,913,835,000 and HK\$223,636,000 respectively, representing increases of 18% and 33%, respectively. Furthermore, a series of pragmatic measures taken by the Group achieved the anticipated results: accounts receivable, inventory, and capital investments decreased and the quality of earnings improved. Despite the strong turnover growth, the Group's gearing ratio declined to only 14%, from 28% at 31st March, 2006 and 31% at 30th September, 2006. The Board recommends a final dividend of HK12.0 cents per share which, together with the interim dividend and special dividend of HK8.0 cents already paid, makes the total dividend for the year HK20.0 cents per share, representing a growth of 43% over last year's total dividend of HK14.0 cents. The Group's return on shareholders' funds remained at a relatively high level of over 22%.





### 業務回顧(續)

回顧期內，本港的出口工業疲弱，集團所錄得的營業額中，對中國市場的銷售高佔約九成，集團並預期未來的內銷比例將佔更高的水平。去年原材料價格雖仍處高位，但相對去年而言波幅較少，可是多項的經營成本卻在不斷上升中，導致業界普遍感受壓力，但受制於同業競爭的普遍化，較難全部向客戶轉嫁。再者，政府有關方面對石油化工業的規範管理愈加嚴緊。因此在此經營環境下，既要維持業務的平穩增長，又要按目標每年提昇盈利率，就顯得極具挑戰性了。去年集團各項核心業務在控制成本方面甚為重視，並不斷地取得預期的成效，純利率由以往的5.1%，改善至5.7%，集團端視在業務不斷增長的同時，提昇盈利質素、提昇純利率為目標的首務。

### Business Review (Continued)

During the period under review, Hong Kong's export industries continued to weaken and as a result, approximately 90% of the Group's turnover was made in Mainland China. This percentage is projected to be even higher in the future. The overall business environment in the past year was extremely challenging. In terms of costs, raw material prices were less volatile but remained at a high level, while various operating expenses continued to increase. Furthermore, due to intensifying competition within the industry, it was difficult to transfer the major hikes in costs to our customers. In addition, authorities in China expressed their mounting concerns for the safety of the chemicals industry and tightened their control and supervision over the industry. Under these circumstances, it was increasingly challenging to achieve sustainable growth in our core businesses and reach our targeted profitability levels. Over the past year, the Group placed significant emphasis on controlling costs of the core businesses and was successful in improving net profit margin from 5.1% in the previous financial year to the current 5.7%. While the Group depends on sustainable growth in our core businesses, we also see the improvement of the quality of earnings and profitability as our top priority.

## 溶劑

集團此項最大的核心業務，期內所錄得的佳績繼續是空前的，銷售額達2,241,251,000港元，比較去年同期增長14%。單體溶劑全年的銷售量與去年基本持平，全年大部份時間均處於不足供應的狀態。至於經營溢利，期內錄得252,324,000港元，比較去年則大幅增長60%。經營溢利的顯著提昇除受惠於單體溶劑在今年上半年曾出現短暫的特殊經營環境外，另一個原因是集團去年成立的「溶劑關注小組」發揮卓越的貢獻，該小組凝聚了集團的集體智慧和創意，對混合溶劑的新原料選用和配方的調整方面不斷地嘗試，不斷地創新，在降低成本、提昇邊際利潤之餘，更對增加銷售帶來了重要的影響。

面對市場的需求不斷增加和同業競爭的加劇，為確保集團在業界的領先位置，積極尋求增加產能、更進一步體現規模效應，乃是集團的當務之急。除本身按部就班地擴產外，集團正密切注視市場的變化，審慎和積極地尋找併購的機會，以期達致激增銷售、優化物流的最佳效益。

## Solvents

The solvents division, the largest of our core businesses, recorded unprecedented results during the period under review, with turnover reaching HK\$2,241,251,000, an increase of 14% over the previous year. Turnover volume for raw solvents remained stable compared to last year, as demand far exceeded our available supply. For the financial year ended 31st March, 2007, the solvents division recorded operating profit of HK\$252,324,000, a significant increase of 60% compared to 2006. While the considerable growth in operating profit could be partially attributed to the favourable but temporary operating environment for raw solvents in the first half of the year, the work of our "Solvents Task Force" also played an important role. The task force was able to pool the Group's resources and efforts on research and development activities, optimize product formulation, reduce production costs and enhance profits.

Faced with increasing demand and intensifying competition in the market, in order to maintain our position as the largest solvent producer in China, our top priority is to increase our production capacity and further realize the advantages of economies of scale. In addition to the expanding production capacity at our current plant, the Group is also closely monitoring the solvents market, actively and diligently looking for potential acquisition opportunities to further boost sales and lower logistic costs.



## 塗料

與塗料業務息息相關的房地產、印刷、包裝、輕工業產品的後加工等產業在過去的一年，受惠於中國經濟的平穩和高速增長而持續暢旺。集團的該項核心業務同時延續了良好的發展勢頭，期內錄得的銷售額達1,442,874,000港元，較去年增長21%。經營溢利則錄得88,501,000港元，亦較去年增長10%。經營溢利的增幅稍遜預期，不能與銷售額的增幅同步，主要是因為期內集團在市場推廣方面，特別增加投放所致。多年以來，集團的塗料業務一直奉行：工業和民用建築塗料的雙線發展，相對而言，民用建築塗料的發展空間更為遼闊，然而，同業競爭也更為激烈。近年來，隨著多個國際性的品牌加入中國市場的競爭行列，令塗料市場的汰弱留強狀況至為明顯，集團端視此為壯大的良機。除致力於成本控制增強競爭實力外，更致力於企業形象和品牌的昇華，決心盡快透過不同的方法和渠道逐漸加大市場推廣的投放，力爭旗下的多個品牌盡快進入中國的名牌行列。

集團耗資一億元對塗料業務進行優化物流的工程，一切按進度進行，成都、汕頭、上海三廠的擴建，和浙江桐鄉的新廠籌建預期分別在今年的上半年和明年八月全部完成，預期可應付未來的五年發展所需。

## Coatings

Over the past year, coatings-related industries such as real estate, publishing, packaging and manufacturing of light industrial products greatly benefited from the rapid growth of the China economy. As a result, the Group's coatings division was able to sustain its strong growth momentum and recorded turnover of HK\$1,442,874,000, an increase of 21% over the previous year, while operating profit increased 10% to HK\$88,501,000. Growth in operating profit was unable to match the growth in turnover and fell slightly short of management's expectation primarily due to an increase in marketing expenses in order to further promote our brands. For many years, the Group's vision for the coatings division has been the parallel development of both industrial coatings and domestic architectural paints. While the domestic architectural paints segment faces stiffer competition, it has higher growth potential relative to industrial coatings. Recently, international players in the paints industry have entered the coatings market in China, which has led to a considerable shake-up in the industry. The Group believes this is a tremendous opportunity to increase our market share and is determined to steadily increase spending on marketing campaigns to enhance the exposure of our brands and corporate image. We also strive to gain recognition as "China Top Brand" for our other brands under the coatings division.

The Group will also invest HK\$100 million to optimize logistics for the coatings division. The capacity expansion for our three factories in Chengdu, Shantou, and Shanghai is expected to be completed in the first half of the current financial year while the Tunxiang, Zhejiang plant is expected to be completed in August 2008. The capacity of four factories combined will be able to serve our expanding coatings business for the next five years.





## 潤滑油

在過去的一年，潤滑油的經營環境依然惡劣，儘管基礎油的短缺已在下半年開始紓緩，而價格亦已開始回順，然隨之而來的激烈競爭卻令各主要競爭對手紛紛減價及進行大幅的促銷活動以盡速減低庫存，以致毛利急劇下降。期內錄得營業額205,524,000港元，較去年同期下降6%，經營虧損6,384,000港元，亦較去年同期略增。

回顧過去的一年，潤滑油業務的重整工作，包括產品架構的重整、工業油及特種潤滑油的拓展和致力於降低成本，都已一一落實。其中工業油及特種潤滑油在整體潤滑油銷量下降的情形下營業額分別上升12%及4%，而毛利率亦同時有所提升。集團與殼牌於去年十月簽署的收購位於湛江的潤滑油調配廠協議已於本年一月中生效，此項收購對降低潤滑油業務未來的營運成本應可作出貢獻。

在未來的一年，潤滑油業務的重點工作依然是繼續加大拓展工業油及特種潤滑油業務的力度，及更努力降低營運成本。預期在油價比過去兩年相對地平穩下，潤滑油業務有望能夠在二零零七至二零零八年度轉虧為盈。

## Lubricants

The operating environment for lubricants continued to be extremely difficult last year. While pressure on shortage of base oil supply alleviated and prices softened in the second half of the year, competition significantly intensified as our major competitors aggressively sold their products at substantial discounts to decrease their inventory levels. As a result, gross profit margin was severely eroded. The lubricants division recorded turnover of HK\$205,524,000, a decrease of 6% compared to last year while operating loss increased to HK\$6,384,000.

Over the past year, various aspects of the restructuring plan for the lubricants division were implemented, including the restructuring of the product portfolio, the continuing development of automotive and industrial lubricants, and the efforts to decrease expenses. In particular, the problem of decreasing turnover for both the industrial lubricants and specialty lubricants segments was under control and there was a marked improvement in turnover of 12% and 4%, respectively, and gross profit margins also improved. Furthermore, the agreement between the Group and Shell signed in October 2006 regarding the acquisition of Shell's interest in the Zhanjiang blending plant became effective in January 2007. The Group believes that the acquisition will help the lubricants division decrease its operating costs in the future.

For the coming year, the focus of the division will continue to be developing the industrial and specialty lubricants segments and also controlling operating costs. As the price of base oils stabilize, we are optimistic that the lubricants business will become profitable in the coming year.



## 四川龍蟒鈦業

集團自零五年七月入股「龍蟒鈦業」8% 權益，成為該公司的策略性股東後，一直與公司管理層保持緊密合作與良好關係，並且每月定期地審閱其營運效益報告。回顧期內「龍蟒鈦業」已按計劃於去年的十月將產能由原來的四萬噸擴產至八萬噸，成為目前中國境內最大的鈦白粉廠。

## 新的管理架構與模式

由二零零八年四月一日開始，集團將逐步推行新的管理架構和模式。屆時董事會的主席與管理委員會的行政總裁將由不同的人士出任，集團董事會專責：目標政策制定、監察執行、協助管治。集團管理委員會則專責：執行政策、有效管治、達致目標。兩者既分工，又合作，集團深信新的管理架構與模式，將可大大地提昇企業管治水平，更為切合集團的未來發展所必需。

## Lomon Titanium Limited (“Lomon”)

Since becoming a strategic investor with an 8% stake in July 2005, the Group has maintained a strong relationship with Lomon's management and has closely monitored its operations through its management's monthly reports. In October 2006, Lomon became the largest manufacturer of titanium dioxide in China after doubling its production capacity from 40,000 tons to 80,000 tons per year.

## New Group Management Structure

Beginning on 1st April, 2008, the Group will gradually implement a new group management structure in which the role of the Chairman of the Board and the role of the Chief Executive Officer of the Group's management committee will be separated and held by two individuals. The Board's principal duties are setting policies, monitoring the execution of such policies, and providing assistance to the overall management of the Group. The Group's management committee will be responsible for executing the policies and implementing strategic plans, supervising the performance of the business units, and ensuring targets set by the Board are met. While the responsibilities of the Board and the management committee are clearly separated, the two bodies will nevertheless work closely together. We believe that the new group management structure will significantly improve our corporate governance and will help the Group's expansion in the future.



## 集團的新標誌

去年十月廿五日適逢集團創辦三十五週年誌慶，集團特地籍此歷史性的日子將集團的標誌作出創意的改變，藉此宣示集團銳意致力改革、持續發展的決心。新的標誌在形象上與舊的標誌比較雖然只作了輕微的改變，但卻採用了嶄新的翠綠的顏色。新的標誌寓意葉氏集團的未來發展路向將是一方面繼續專注本業，但同時亦要與時並進。翠綠的顏色象徵著業務的生機勃勃和集團對環保的承諾。我們相信新的標誌將帶領葉氏集團邁向更豐盛、更成功的另一個新里程。

## 企業社會責任

集團充份了解到作為一家在香港上市、而業務紮根於神州的公司，集團須透過積極參與不同層面的社區工作，及通過一些慈善捐獻以回饋社會及稍盡社會公民責任。與此同時，集團也充分了解到社會上需要資助的項目眾多，單憑一己的力量，實無法滿足社會上眾多的項目的需求，所以集團只能集中在某些既為社會廣泛所需、又與集團核心價值一致的項目，包括環保及教育兩個大範疇。

## New Logo Of The Group

25th October, 2006 marked the 35th anniversary of the founding of the Group. We have chosen this special day to unveil a creative, new logo. The new logo signifies the Group's determination to continuously innovate, reform, and develop. While the new logo is largely based on the old logo, it employs a new and refreshing jade green color as the focus. It demonstrates that the Group's future progress will continue to be based on our core principles of dedication and professionalism, while moving forward with the times. The jade green color symbolizes the dynamism of our businesses as well as our commitment to the environment. We are filled with confidence that the new logo will lead the Group to a new passage to greater accomplishments and success.

## Corporate Citizenship/Social Responsibility

We fully understand that, as a Hong Kong-listed company with operations entrenched in China, we must fulfill our responsibility as good corporate citizens and give back to society by both actively participating in different levels of social work and providing monetary support to charities. However, we also recognize that it is extremely difficult for the Group to support the countless projects in society today in need of support, therefore, we strive to help projects that are in line with the Group's core values, such as those related to environmental protection and education.

## 環保

作為一家從事化工業務的公司，集團充分了解保護環境的重要。因此，集團對提高員工在環保意識是不遺餘力。不論小如把紙張雙面重複使用及離開辦公室時把電燈和空調關上，或大如籌建新廠時力求新廠的設計能夠符合最先進的環保要求，都確實地體現了集團對保護環境的決心和承諾。

此外，集團已成立一個跨部門的小組負責推動集團內部員工對環保的重視，又於二零零六及二零零七年連續兩年參加香港地球之友主辦的「綠野先鋒」植樹計劃，希望藉此參與有意義的活動更進一步地提升員工對環保的意識。

## 教育

集團體會到國家要富要強必須由教育做起，因此，歷年來集團都不斷地對國內的教育慈善活動加以支持。在去年十月，集團將社會各界恭賀集團創辦三十五週年的聯賀捐款合共556,900港元全數捐獻予「苗圃行動」，以資助該機構在中國的建校助學活動。此外，集團去年曾捐助十萬人民幣與廣東省東莞麻涌助學基金，以回饋社會。集團計劃將來更積極參與各項公益活動，略盡社會公民的責任。

## Environmental Protection

As a company engaged in the chemicals business, we recognize the importance of environmental protection; therefore, the Group constantly strives to educate and increase awareness of environmental protection among our employees. From using both sides of each piece of paper and switching off lights and air conditioning when not in use, to abiding to the strictest and most advanced environmental protection standards when designing our new plants, the Group has demonstrated our resolve to help protect the environment.

In addition, the Group has established a task force to further increase understanding of key environmental issues among our employees. We have participated in the "Tree Planting Challenge", organized by the Friends of the Earth, in 2006 and 2007, to enhance enthusiasm of environmental protection through meaningful and charitable activities.

## Education

The Group also believes that in order for China to remain stable and strong, it must start from education. To this end, we have greatly supported charitable projects benefiting education in China over the years. Last October, the Group collected donations totaling HK\$556,900 from its customers, suppliers, and associates to congratulate the Group's 35th anniversary, and donated it to the "Sowers Action" in subsidizing the organization to build schools for students in China. The Group also donated RMB100,000 to the Education Trust Fund for Machong Town in Guangdong. In the future, we plan to be actively involved in various charitable activities to earnestly fulfill our responsibility as good corporate citizens and give back to society.





## 流動資金及財務資源

集團持續的審慎理財策略，以及大力控制應收帳及庫存，加上強勁的盈利增長帶來不斷上升的現金流，使集團的借貸比率持續改善。截至二零零七年三月三十一日集團的借貸比率（以淨銀行貸款佔股東權益為計算基準）為14%，較上年同期的28%有大幅改善。

截至二零零七年三月三十一日集團的銀行欠款為484,237,000港元（二零零六年三月三十一日：513,518,000港元），包括需於一年內清還之貸款為428,601,000港元，及13,260,000港元以人民幣定值（二零零六年三月三十一日：347,633,000港元需於一年內清還，及39,992,000港元以人民幣定值），另外一年後到期的銀行貸款則為55,636,000港元（二零零六年三月三十一日：165,885,000港元）。此等貸款均按浮動利率計算利息。

於二零零七年三月三十一日，共16間香港、澳門及國內的銀行向集團提供合共1,446,560,000港元的銀行額度（二零零六年三月三十一日：1,191,713,000港元），其中74%以港元定值，其餘均以人民幣定值。集團可動用之銀行融資額度連日後之營運現金收入，將提供充裕的資金予集團應付目前營運，以及於可見將來業務進一步發展所需的資金。

由於中國外貿連續多年出現順差，人民幣表現強勁，且預料人民幣的強勢短期內不會改變。鑒於人民幣之強勢，加上本集團之資產亦主要集中於國內，集團之收入也主要來自國內並以人民幣交收結算，管理層因此認為除有使用人民幣借貸作日常營運及投資之資金外，在現階段實無需要採取額外對沖措施。在可預見的將來，集團將繼續力求在盡量降低借貸成本及控制匯兌風險之間求取平衡，揀選以港元或人民幣之銀行貸款作為各項投資之融資手段。

## Liquidity And Financial Resources

Through the adoption of a prudent financial management strategy over the years with particular emphasis on the control of accounts receivable and inventory levels, and increasing cash inflow from strong profit growth helped the Group's gearing ratio to improve significantly. As at 31st March, 2007, the Group's gearing ratio (as measured by net bank borrowings as a percentage of shareholders' equity) was 14%, a significant improvement over the same period last year of 28%.

As at 31st March, 2007, the total gross bank borrowings of the Group was HK\$484,237,000 (at 31st March, 2006: HK\$513,518,000). Out of this total bank borrowings, HK\$428,601,000 was repayable within one year, and HK\$13,260,000 was denominated in Renminbi (at 31st March, 2006: HK\$347,633,000 was repayable within one year, and HK\$39,992,000 was denominated in Renminbi). Loans repayable after one year at 31st March, 2007 was HK\$55,636,000 (at 31st March, 2006: HK\$165,885,000). All these loans carried interest at floating rates.

As at 31st March, 2007, a total of 16 banks in Hong Kong, Macau and PRC granted banking facilities totaling HK\$1,446,560,000 to the Group (at 31st March, 2006: HK\$1,191,713,000), 74% of these facilities were denominated in Hong Kong Dollar and the rest in Renminbi. The Group's available banking facilities and its future cash flow from operations will provide sufficient funds to the Group to meet its present operational requirements as well as for the further development of its business in the foreseeable future.

On the back of China's trade surplus, Renminbi has shown considerable strength in the past year and it is expected that the Renminbi's strength will continue in the near future. In view of the current strength of the Renminbi, coupled with the fact that the majority of the Group's assets are located in the PRC, and the majority of its income is also generated in Renminbi, the management considers that no hedging measures are necessary at this stage, apart from using Renminbi bank borrowings to fund part of its operational requirements and investments. The Group will continue to strive to achieve the optimal balance between lowering the costs of borrowings and minimizing currency exposure by funding its investments through either Renminbi or Hong Kong dollar bank loans.



## 僱員

於二零零七年三月三十一日，本集團之僱員人數合共為 3791 人，其中香港之僱員人數為 158 人，而中國其他省份之僱員人數則為 3633 人。

集團提供具競爭力的酬金，包括薪酬、以集團業績及員工表現為導向的花紅及購股權。集團不時檢討薪酬及獎懲制度，確保員工得到合理及公平的薪酬待遇，集團有效吸引人才及挽留人才。

員工自強不息優質化是集團的核心信守之一，多年前推出的「見習生計劃」，從香港、國內、以至國際間的高等學府招聘精英，培育他們加入管理層、或成為專業的技術人才，以提昇集團在管理及科研上的競爭力。集團積極建立自強不息的公司文化。透過內部培訓及參與外界訓練課程，員工不斷增強工作技能。另外，集團亦推行教育資助政策，鼓勵員工不斷自我增值，讓他們於工作上發揮所長。

## Employees

As at 31st March, 2007, there were a total of 3791 employees of which 158 were based in Hong Kong and 3633 were based in other parts in the PRC.

Employees receive competitive remuneration packages including salary, variable bonus that is linked to attainment of the Group and individual performance as well as share options. The remuneration and incentive systems are reviewed from time to time, so as to ensure the employees obtain equitable and fair packages and the Group is able to attract and retain competent employees.

The group pledges always to enable our employees to achieve continuous self-improvement. With the Trainee Program already in place for several years, top graduates from tertiary institutes in Hong Kong, China and overseas are recruited and trained to join management level or become technical experts, thereby sharpening the competitive edge of the Group in management and technology. The group promotes lifelong learning. In-house and external training programs are offered to enrich the competencies of our employees. Moreover, the group has an educational subsidy scheme to encourage employees to upgrade themselves both in their work and in personal development.

## 展望

本人對集團的未來發展充滿信心，我們樂見中國的政局穩定，經濟持續高速、健康發展，內部需求強勁和不斷深化至其他較落後的地區和省份。同時中國作為「世界大工廠」位置更將鞏固。昨天的珠三角、今天的長三角以及明天的渤三角洲，將提供最佳的投資環境吸引世界上更多、更大的工廠前往投資。凡此種種，必然可為集團的長遠發展帶來無限的機遇。葉氏化工將一如既往，繼續專注在我們熟悉的中國市場，繼續專注在我們熟悉的石油化工行業，尋找商機，不斷壯大的同時，集團內積極做好各項的人力資源工作，務求讓更多、更年輕的各界精英加入集團服務，並在集團內得到充實的發展機會，得以配合集團的不斷壯大和發展，為員工和股東們爭取更佳的回報。

最後本人代表董事會對集團全體員工們的不懈努力和卓越貢獻，對各界好朋友和商業合作伙伴的信任和支持，致以最衷心的感謝。

葉志成  
主席  
香港，二零零七年七月三日

## Prospects

Looking ahead, I am fully confident of the Group's future development as we can see increasing stability on China's political situation, healthy and sustainable rapid growth in the economy, growing domestic demand will extend to the less-developed regions and provinces of China. At the same time, China is solidifying its role as "World's factory". Yesterday's Pearl River Delta, today's Yangtze River Delta, and tomorrow's Bohai River Delta all provide an appealing investment environment that will attract more and more international manufacturing companies to China. For these reasons, the Group will continue to have unlimited opportunities for long-term growth and development. Yip's Chemical, as before, will be dedicated and focused on the Chinese market and the chemicals industry. We will continue to seek opportunities to grow our business. At the same time, we will actively develop our human capital, recruit the elite from all ends of the spectrum to join the Group and provide ample development opportunities such that they can contribute to our future and continue to gain greater returns for our shareholders.

Lastly, on behalf of the Board, I would like to express my sincere gratitude to our employees for their relentless hard work and contribution to the success of the Group, and also to our friends and business associates from all sectors for their continued trust and support.

Ip Chi Shing, Tony  
Chairman  
Hong Kong, 3rd July, 2007



集團的三大核心業務分爲：  
The Group's Three Core Businesses Are:



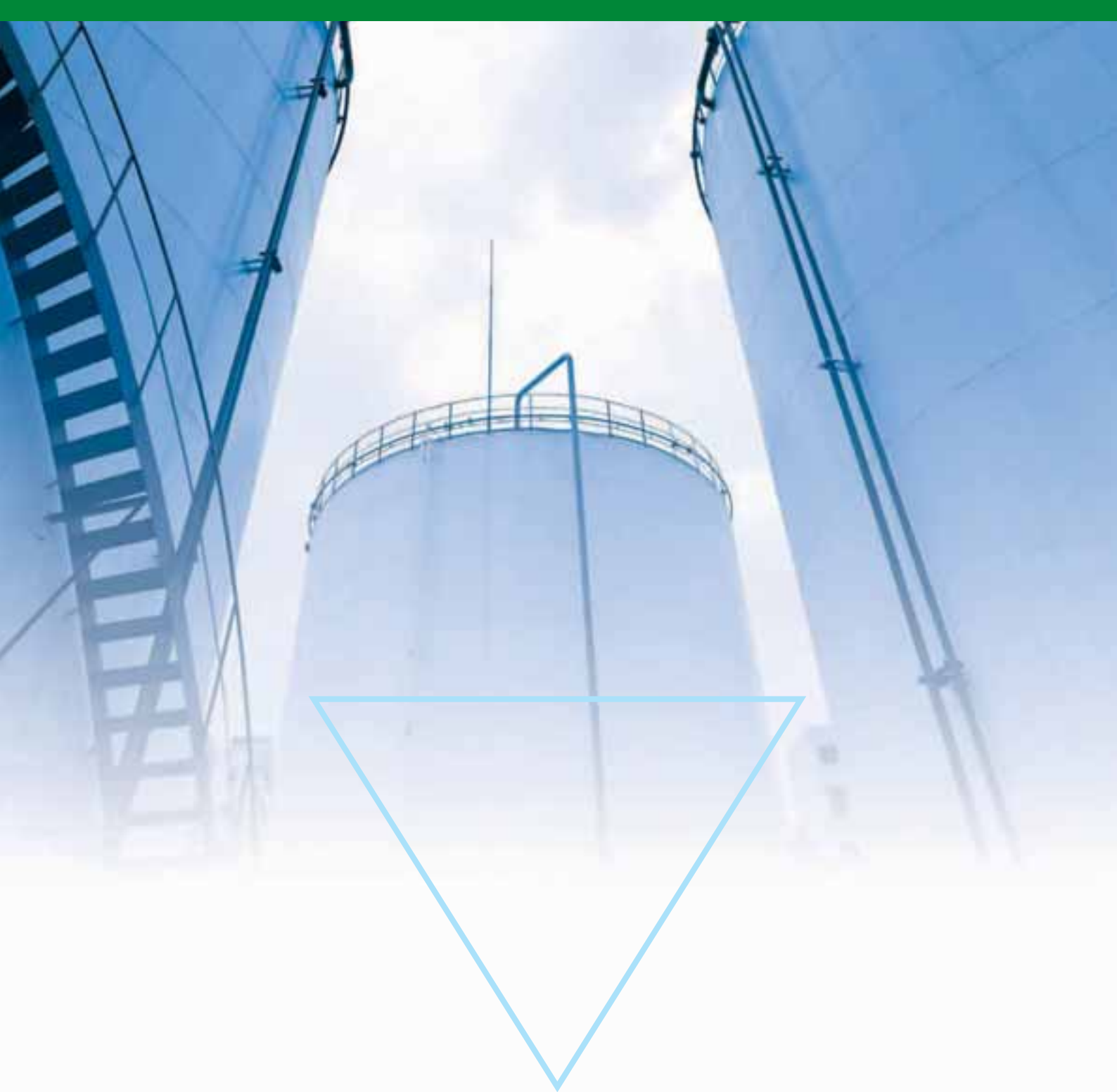
溶劑  
Solvents



塗料  
Coatings



潤滑油  
Lubricants



## 溶劑 Solvents

## 溶劑

葉氏化工主要生產工業用的環保有機溶劑，可分為兩類：(一)單體溶劑，包括醋酸乙酯、醋酸正丁酯、醋酸混丁酯和醋酸異丁酯，廣泛應用於塗料、製革、醫療、黏合劑等工業；(二)混合溶劑(俗稱天拿水)，應用於玩具、電子、印刷、傢俬等工業。溶劑是集團最大的核心業務，集團旗下多間子公司均有生產和銷售溶劑。總產能已達33萬噸的規模，成為中國最大的溶劑生產商，單體溶劑更躋身全球第四位。集團溶劑業務的成功，在於規模的優勢、嚴格的品管、高效的運作和優越的地理條件。

## Solvents

The solvents division produces environment-friendly industrial organic solvents, which can be grouped into two types: (1) raw solvents, including ethyl acetate, normal butyl acetate, mixed butyl acetate and iso-butyl acetate, widely used in industries such as coatings, tannery, medicine and adhesives; (2) mixed solvents, commonly known as thinners, are mostly used in the toy, electronics, printing and furniture industries. As the Group's largest core business, solvents are produced and sold through various subsidiaries. With a production capacity of 330,000 tons, it is China's largest producer of solvents, while its production of raw solvents ranks fourth in the world. Economies of scale, stringent quality control, efficient operations and strategic locations are all factors that contribute to the success of the Group's solvent business.







## 塗料 Coatings



## 塗料

塗料的用途非常廣泛，通常應用於生產過程最後的工序，如建築及裝修工程、食品、禮品包裝、玩具、電子電器、木器傢俱及紙品印刷業等，這些工業都需要大量不同的塗料。葉氏化工早於1982年已開展塗料的業務，建立了超卓的信譽。在四個範疇中創出五個品牌：包括「紫荊花」漆油、「洋紫荊」油墨、「工樂施」特種上光油、「大昌」樹脂，以及「Ad-Coat」絕緣漆等。

### 漆油 — 品牌：「紫荊花」漆油

「紫荊花」漆油備有多個系列，有常見的民用漆（包括水性乳膠漆、油性漆）和工業用漆油（包括傢俱木器漆、塑膠漆）。自1992年起，「紫荊花」漆油一直獲香港房屋署及香港建築署指定為選用油漆，被採用於各類大型建築及屋苑工程。「紫荊花」漆油在中國亦取得超過500項重點工程採用的驕人紀錄。此外，其玩具漆已通過不少國際知名品牌製造商的嚴格測試，成為其認可產品。

## Coatings

Coatings are used in an extensive range of industries, and are often applied during the final phase of production. Industries such as construction and project refurbishment, food and gift packaging, toys, electronics, furniture, and printing all consume significant quantities of different kinds of coatings. The Group's coatings division was set up in Hong Kong in 1982, and has established a good reputation in the market. At present, the coating business comprises five brand names under four product categories: "Bauhinia" for paints, "Bauhinia Variegata" for inks, "Galaxxo" for varnishes, "Da Chang" for resins, and "Ad-Coat" for insulating varnishes.

### Paints—Brand name: "Bauhinia"

"Bauhinia" paints consists of several product lines, ranging from domestic architectural paints (such as water-based emulsion and oil based paints) to industrial paints (such as furniture paints and plastic paints). Since 1992, Hong Kong's Housing Department and the Architectural Services Department have placed "Bauhinia" paints on the approved list of paints for all kinds of large-scale construction and housing projects. In China, "Bauhinia" paints have been used in more than 500 key projects. At the same time, "Bauhinia" paints for the toy industry has also successfully passed the very stringent tests by the manufacturers of many of the world's famous toy brands, and placed on their approval lists of suppliers.



## 塗料(續)

### 漆油—品牌：「紫荊花」漆油



在2005年，「紫荊花」漆油勇奪國家質量監督檢驗檢疫總局頒授中國品牌的最高榮譽——「中國名牌」。「紫荊花」漆油能夠從8,000多家塗料公司中脫穎而出，成為全國首批榮獲「中國名牌」產品的油漆企業，可見「紫荊花」漆油的品質、信譽、用戶滿意程度各方面都表現卓越，深得用家歡迎。

### 油墨—品牌：「洋紫荊」

油墨業務自1998年成立以來，一直專注發展塑料印刷油墨及紙凹油墨等。2005年度產銷油墨超過16,000噸，成為全國最大塑料油墨生產商。近年為滿足市場環保要求，已成功開發多種環保產品，如無苯油墨、醇溶油墨和水性油墨等。另為了加強公司多元化競爭力，於2006年投入生產平版膠印油墨，此產品市場需求量較塑料油墨更大，前景更廣闊。「洋紫荊」油墨自推出以來，深受用戶信賴，迅即成為中國名牌油墨，更於2005年榮獲「廣東省著名商標」及「廣東省用戶滿意產品」的稱號，成為首家獲此殊榮的油墨生產商。



## Coatings (Continued)

### Paints—Brand name: "Bauhinia"

In 2005, "Bauhinia" paints was named "China Top Brand", the esteemed award organized by the China Quality and Technology Monitory Bureau. "Bauhinia" paints was selected out of more than 8,000 coatings manufacturers. As one of the first batch of paint manufacturers to receive this honour, the award recognized "Bauhinia" paints' outstanding performance in quality, reputation, and customer satisfaction.

### Inks—Brand name: "Bauhinia Variegata"

Since its establishment in 1998, the inks business has specialized in the development of plastic printing inks and gravure inks. In 2005, total production and sales exceeded 16,000 tons, making it the largest producer of plastic and gravure inks in China. In recent years, the Group has introduced various environment-friendly products such as aromatic-free inks, alcohol-based inks, and water-based inks in response to market demands. To further improve the broadbased competitiveness of the business, the Group commenced production of offset printing inks in 2006. As the potential demand for offset printing inks is even greater than plastic film printing inks, it is expected that the new development is poised to take the Group's ink business to greater heights. "Bauhinia Variegata" has enjoyed excellent reputation and support from customers since its launch, and was an instant success. In 2005, following the award of "Famous Brand of Guangdong Province", the brand was also granted the "Consumer Satisfaction Product of Guangdong Province" award.



### 特種上光油 — 品牌：「工樂施」

「工樂施」是印刷行業用的特種上光油品牌，為紙品印刷行業的各類印刷及加工產品，如彩盒、鞋盒、書籍及卡牌等，作為後加工之用。「工樂施」系列暢銷紙品印刷行業，現擁有超過300家忠實客戶，而當中具有裝飾保護作用的磨光油、環保的水性產品更是深受客戶歡迎。近年，集團引入了先進的大型自動化生產系統，成為業內第一間使用自動化生產磨光油、UV油、黏合劑等產品的香港廠家。

### 樹脂 — 品牌：「大昌」

樹脂是塗料不可或缺的基本原料，佔油漆重量的60-80%，亦佔油漆成本的30-40%。「大昌」樹脂是油漆專用樹脂，其優良的品質，配以完善的服務，令銷路節節上升，並擁有100多家客戶，在中國油漆樹脂業中已建立良好的信譽。

### Specialty Varnish—Brand name: “Galaxxo”

“Galaxxo” is a specialty varnish for a range of printing and post-printing processes, such as the glossy coatings of coloured boxes, shoe boxes, books and card stationery. The “Galaxxo” series of products are very popular in the printing industry with over 300 loyal customers. Its blister packing varnishes and environment-friendly, water-based varnishes are especially well-received by the market. In recent years, the business has implemented advanced automatic production systems, making it the first Hong Kong manufacturer in the industry to employ state-of-the-art facilities to produce blister packing varnishes, UV varnishes and paper laminating glues.

### Resins—Brand name: “Da Chang”

Resins form the backbone of coatings. It accounts for 60 to 80 percent of the total weight of paints and 30 to 40 percent of the cost of paints. The business, operated under the “Da Chang” brand, specializes in the production of resins for paints manufacturing. The excellent quality of Da Chang resins and its customer-oriented services has fuelled sales growth with over 100 loyal customers, and has also established a good reputation for the Group in China’s resins industry.





## 潤滑油 **Lubricants**

## 潤滑油

品牌：「力士」汽車及工業潤滑油、「博高」高效能特種潤滑油

### 「力士」汽車及工業潤滑油

集團的潤滑油生產始於1992年，以「力士」為品牌的汽車及工業潤滑油產品系列一應俱全，包括發動機油、剎車油、不凍液、車用齒輪油、車用潤滑脂、自動排擋油、汽輪機油、迴圈油、工業齒輪油、液壓油、壓縮機油和工業用潤滑脂等。在技術上，集團選用國際尖端的添加劑技術，確保產品質量與世界同步前進。「力士」多款產品已通過國際權威機構的認證，包括美國石油學會、康明斯、日本JASO、沃爾沃，並已成為各大設備供應商的指定用油。

## Lubricants

Brands: "Hercules" automotive and industrial lubricants, and "Pacoil" specialty lubricants

### "Hercules" automotive and industrial lubricants

The Group commenced its lubricants manufacturing and supply business in 1992, the comprehensive product line of "Hercules" brand automotive and industrial lubricants includes engine oils, gear oils brake fluids, anti-freeze, bearing greases, automatic transmission fluids, hydraulic oils, compressor oils, industrial gear oils, steam turbine oils, heat transfer oils, circulating oils, and industrial greases. The Group employs cutting-edge international additives technology in its products to ensure that its quality keeps pace with global developments. Many Hercules products have been accredited by standards authorities worldwide, including the American Petroleum Institute (API), Cummins, JASO, Volvo, and are the OEM-specified lubricants of many equipment suppliers.





### 潤滑油 (續)

#### 「博高」高效能特種潤滑油

2005年度，集團與太平洋石油有限公司合作，成立「葉氏太平洋有限公司」，共同發展特種潤滑油業務。以「博高」為產品品牌的特種潤滑油系列應用於多種工業，如金屬加工、塑膠、汽車、航天、電子、電器、紡織、木業、鐘錶等。此外，「太平洋」亦代理 Sumico, Castrol-Optimol, Castrol-Tribol, Cincinnati Milacron 潤滑油，把國際最頂尖的特種潤滑油系列引進中國市場。

### Lubricants (Continued)

#### “Pacoil” specialty lubricants

In 2005, Yip's Chemical combined forces with Pacific Oil and Chemical Company Ltd. to form a new holding company, “Yip's Pacific Limited” for the joint development of specialty lubricants. The “Pacoil” specialty lubricant series is extensively used in industries such as metal processing, plastics, automobiles, aeronautics, electronics, electrical appliances, weaving and timber, as well as watches and clocks. Yip's Pacific Limited is also the appointed sole distributor in China for many global lubricant brands including Sumico, Castrol-Optimol, Castrol-Tribol, and Cincinnati Milacron, bringing the best specialty lubricants into the China market.





國立中央大學





葉志成先生  
Mr. Ip Chi Shing, Tony



葉鳳娟小姐  
Ms. Ip Fung Kuen



葉子軒先生  
Mr. Yip Tsz Hin, Stephen

### 執行董事

**葉志成先生**，現年五十九歲，為本集團創辦人，彼為集團主席及董事總經理。葉先生在製造及銷售石油化工產品方面積三十多年經驗。彼為集團副主席兼執行董事葉鳳娟小姐及葉子軒先生之兄。

**葉鳳娟小姐**，現年五十六歲，為本集團創辦人，彼為集團副主席及執行董事兼集團附屬公司香港紫荊花製漆(大中華)有限公司之董事長。葉小姐在製漆業方面積二十多年經驗。彼持有台灣國立大學中國文學學士學位。彼為集團執行董事葉志成先生之妹及葉子軒先生之姊。

**葉子軒先生**，現年四十八歲，於一九七七年加入本集團。彼為集團副主席及執行董事兼集團數間附屬公司包括葉氏油墨(集團)有限公司、江門謙信化工發展有限公司、江門天誠溶劑製品有限公司及江門恒華化工發展有限公司之董事長。葉先生在製造及經營石油化工產品方面積三十年經驗。彼為集團執行董事葉志成先生及葉鳳娟小姐之弟。

### Executive Directors

**Mr. Ip Chi Shing, Tony**, aged 59, is the co-founder of the Group. He is the chairman and managing director of the Group. Mr. Ip has over 30 years of experience in the manufacture of and trading in petrochemical products. He is the brother of Ms. Ip Fung Kuen and Mr. Yip Tsz Hin, Stephen, deputy chairmen and executive directors of the Group.

**Ms. Ip Fung Kuen**, aged 56, is the co-founder of the Group. She is a deputy chairman and an executive director of the Group and is also the chairman of Hong Kong Bauhinia Paints Manufacturing (Greater China) Company Limited, a subsidiary of the Group. She has over 20 years of experience in paints manufacturing. She holds a Bachelor's Degree in Chinese Literature from National Taiwan University. She is the sister of Mr. Ip Chi Shing, Tony and Mr. Yip Tsz Hin, Stephen, executive directors of the Group.

**Mr. Yip Tsz Hin, Stephen**, aged 48, joined the Group in 1977. He is a deputy chairman and an executive director of the Group and is also the chairman of a number of subsidiaries of the Group including Yip's Ink and Chemicals (Group) Limited, Jiangmen Handsome Chemical Development Limited, Jiangmen Thansome Solvents Production Limited and Jiangmen Heng Wah Chemical Development Limited. He has 30 years of experience in the manufacture of and trading in petrochemical products. He is the brother of Mr. Ip Chi Shing, Tony and Ms. Ip Fung Kuen, executive directors of the Group.



吳紹平先生  
Mr. Ng Siu Ping, George



丁漢欽先生  
Mr. Ting Hon Yam



黃金焰先生  
Mr. Wong Kam Yim, Kenny

### 執行董事 (續)

**吳紹平先生**，現年四十九歲，於一九九二年獲委任為集團財務董事。吳先生於一九八零年獲香港理工學院（現名香港理工大學）頒發會計高級文憑。彼為特許公認會計師公會資深會員及香港會計師公會會計師。吳先生於一九九一年加入本集團，在核數及會計行業積二十多年經驗。

**丁漢欽先生**，現年五十四歲，於一九九四年獲委任為集團執行董事並為集團附屬公司香港紫荊花製漆（大中華）有限公司之董事總經理。丁先生於一九八三年加入本集團，在石油化工行業積二十多年經驗。

**黃金焰先生**，現年四十七歲，於二零零二年獲委任為集團執行董事，彼為集團副行政總裁。黃先生於一九八七年獲英國雪菲爾大學商管學士學位，並於一九八八年獲英國威爾斯大學頒發工商管理碩士銜。彼於一九九六年加入本集團，在市務推廣及行政管理積十多年經驗。

### Executive Directors (Continued)

**Mr. Ng Siu Ping, George**, aged 49, has been the finance director of the Group since 1992. Mr. Ng obtained a Higher Diploma in Accountancy from the Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) in 1980. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. He joined the Group in 1991 and has over 20 years of experience in the field of auditing and accounting.

**Mr. Ting Hon Yam**, aged 54, has been an executive director of the Group since 1994 and is also the managing director of Hong Kong Bauhinia Paints Manufacturing (Greater China) Company Limited, a subsidiary of the Group. Mr. Ting joined the Group in 1983 and has over 20 years of experience in the petrochemical industry.

**Mr. Wong Kam Yim, Kenny**, aged 47, has been an executive director of the Group since 2002. He is a deputy chief executive officer of the Group. Mr. Wong graduated from University of Sheffield in United Kingdom in 1987 with a Bachelor's Degree in Business Studies and obtained a Master Degree in Business Administration from University of Wales in United Kingdom in 1988. He joined the Group in 1996 and has over 10 years of experience in marketing and management.



楊民儉先生  
Mr. Young Man Kim, Robert



唐匯棟先生  
Mr. Tong Wui Tung, Ronald

**楊民儉先生**，現年五十九歲，於二零零二年獲委任為集團執行董事。楊先生於一九七二年及一九八一年分別獲加州大學柏克萊分校頒發化學碩士銜及獲香港中文大學頒發三年制工商管理課程碩士銜。彼在石油化工業有豐富經驗，曾於一九九三年至二零零零年間出任香港蜆殼有限公司之港澳區董事。彼亦為香港房屋協會之監事委員會委員、香港管理專業協會之銷售管理委員會委員及地球之友（慈善）有限公司之董事局董事及副主席。

## 非執行董事

**唐匯棟先生**，現年五十七歲，於一九九三年獲委任為集團獨立非執行董事，並於二零零四年獲調任為非執行董事。唐先生為張秀儀、唐匯棟、羅凱栢律師行合夥人。張秀儀、唐匯棟、羅凱栢律師行為本集團之香港法律顧問，並就提供予本集團之服務收取一般專業收費。唐先生在香港執業二十多年，並為香港上市公司碧桂園控股有限公司之獨立非執行董事。

**Mr. Young Man Kim, Robert**, aged 59, has been an executive director of the Group since 2002. Mr. Young received a Master's degree in Chemistry from the University of California, Berkeley in 1972 and a MBA from the Chinese University of Hong Kong's 3-Year MBA Programme in 1981. He has extensive experience in the petrochemical industry, and was the Director for Hong Kong/Macau for Shell Hong Kong Limited from 1993 to 2000. He is also a member of the Supervisory Board of the Hong Kong Housing Society, a member of the Marketing Management Committee of the Hong Kong Management Association, and the vice chairman and a member of the Board of Governors of Friends of the Earth (Charity) Limited.

## Non-Executive Director

**Mr. Tong Wui Tung, Ronald**, aged 57, was elected as an independent non-executive director of the Group since 1993 and was re-designated as a non-executive director in 2004. Mr. Tong is a partner of the law firm, Messrs. Cheung, Tong & Rosa, legal advisers of the Company on Hong Kong Law which receives usual professional fees in connection with services rendered to the Group. Mr. Tong has been practising as a solicitor in Hong Kong for over 20 years and is also an independent non-executive director of Country Garden Holdings Company Limited, a company listed on The Stock Exchange of Hong Kong Limited.



黃廣志先生  
Mr. Wong Kong Chi



歐陽贊邦先生  
Mr. Au-Yeung Tsan Pong, Davie



李澤民先生  
Mr. Li Chak Man, Chuck

## 獨立非執行董事

**黃廣志先生**，現年四十九歲，於一九九三年獲委任為集團獨立非執行董事。彼為特許公認會計師公會資深會員及香港會計師公會會計師。黃先生從事香港商人銀行業務十多年，並於一九九三年退休，此後為香港多間上市公司董事會擔任獨立非執行董事之職務。

**歐陽贊邦先生**，現年六十一歲，一九七四年畢業於香港理工學院（現香港理工大學）。彼為香港董事學會之資深會員。歐陽先生曾於大專教育界及服務業擔任高級行政人員達三十多年，管理工作經驗豐富。彼為一個致力謀求兒童幸福及籌募基金的慈善機構擔任司庫，同時亦參與兩個藝術表演團體委員會的工作。歐陽先生現時為一間於倫敦股票交易所上市公司的非執行董事及另一間香港上市公司的獨立非執行董事。

**李澤民先生**，現年六十歲，一九七三年畢業於美國德州農工大學並獲頒發統計學碩士銜。退休前李先生於化工界服務超過二十五年，在物流、採購、管理、人事及行政工作經驗豐富。彼曾為國際化學品製造商協會之委員多年，推動化學品之安全運輸。李先生並無擔任其他上市公司任何董事職位。

## Independent Non-Executive Directors

**Mr. Wong Kong Chi**, aged 49, has been an independent non-executive director of the Group since 1993. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Wong retired in 1993 after working in the merchant banking industry for over 10 years and since then has sat on the boards of several listed companies in Hong Kong as independent non-executive directors.

**Mr. Au-Yeung Tsan Pong, Davie**, aged 61, graduated from the Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) in 1974. He is a fellow member of the Hong Kong Institute of Directors. Mr. Au-Yeung has extensive experience in management, having held senior executive appointments in the tertiary education field and the service industry for over 30 years. He is the treasurer of a charitable organization which raises funds and advocates for the well-being of children. He also serves on the governing council of two performing arts groups. Mr. Au-Yeung is currently a non-executive director of a company listed in the London Stock Exchange, and an independent non-executive director of another company listed in Hong Kong.

**Mr. Li Chak Man, Chuck**, aged 60, graduated from Texas A&M University with a Master Degree in Statistics in 1973. Mr. Li retired in 2004 after working in the petrochemical industry for over 25 years with extensive experience in logistics, procurement, management, personnel and administration. He was a representative to Association of International Chemical Manufacturers in the 90's to promote safety distribution of hazardous chemicals. Mr. Li does not hold any directorship of other listed companies.



鄺國照先生  
Mr. Kwong Kwok Chiu



李偉民先生  
Mr. Li Wai Man, Peter



趙楚榜先生  
Mr. Zhao Chu Bang

## 行政人員

**鄺國照先生**，現年四十二歲，於一九八七年加入本集團，期間曾於本集團內各子公司或部門任職，目前為集團全資附屬公司葉氏油墨(中山)有限公司、葉氏油墨(上海)有限公司及洋紫荊油墨(中山)有限公司之總經理，於二零零三年獲香港公開大學工商管理碩士銜。鄺先生曾獲當選為「2006年中國油墨行業十大傑出經理人」，彼亦是中國軟包裝技術信息中心副理事。

**李偉民先生**，現年五十歲，於二零零四年加入本集團並為集團助理董事。彼持有香港大學機械工程學士學位及香港中文大學工商管理碩士銜，曾任職跨國石油化工集團積二十多年，在石化工程業務策劃及營運方面有豐富經驗。

**趙楚榜先生**，現年四十五歲，資深工程師。於一九九三年加入本集團並於二零零五年四月任江門謙信化工發展有限公司之董事總經理。趙先生從事化工業務積二十多年，具有豐富的管理工作經驗。彼曾先後擔任江門市溶劑廠副廠長及江門謙信化工發展有限公司董事。

## Management Executives

**Mr. Kwong Kwok Chiu**, aged 42, joined the Group in 1987 and served with various subsidiaries or departments of the Group. He is currently the general manager of Yip's Ink and Chemicals (Zhongshan) Company Limited, Yip's Ink & Chemicals (Shanghai) Company Limited and Bauhinia Variegata Ink & Chemicals (Zhongshan) Ltd., wholly-owned subsidiaries of the Group. Mr. Kwong obtained a Master Degree in Business Administration from The Open University of Hong Kong in 2003. He was elected as "2006 Top Ten Outstanding Manager in China Inks Industry" and is also the deputy director of the China Soft-Packaging Technical Information Centre.

**Mr. Li Wai Man, Peter**, aged 50, joined the Group in 2004 and has been the assistant director of the Group. He holds a Bachelor's Degree in Mechanical Engineering from Hong Kong University and a Master Degree in Business Administration from the Chinese University of Hong Kong. Mr. Li has worked in a multi-national petrochemical company for over 20 years and has extensive experience in engineering, corporate planning, and marketing operations.

**Mr. Zhao Chu Bang**, aged 45, is an experienced engineer. He joined the Group in 1993 and has been the managing director of the Jiangmen Handsome Chemical Development Limited since April 2005. Mr. Zhao has over 20 years of experience in the chemical industry and has extensive experience in the management field. He had been deputy director of the Jiangmen Solvent Factory and director of Jiangmen Handsome Chemical Development Limited.



謝俊偉先生  
Mr. Tse Chun Wai, Richard



黃觀松先生  
Mr. Huang Guan Song



朱慶華小姐  
Ms. Zhu Qing Hua

## 行政人員 (續)

**謝俊偉先生**，現年四十一歲，於二零零五年成為集團財務總監。謝先生獲香港理工學院(現名香港理工大學)頒發會計學專業文憑。彼亦持有香港科技大學工商管理碩士、理學碩士(資訊系統管理學)及理學碩士(投資管理學)學位。彼為特許公認會計師公會資深會員，英國特許管理會計師公會會員及香港會計師公會會計師。謝先生於二零零零年加入本集團，在核數及會計行業積十多年經驗。

**黃觀松先生**，現年五十三歲，於二零零六年十月獲委任為集團全資附屬公司恒昌石油化工有限公司之總經理。黃先生於一九八二年畢業於華南理工大學。彼於一九八七年加入本集團，在石油化工行業管理上擁有超過二十年之經驗。

**朱慶華小姐**，現年三十八歲，於二零零五年一月獲委任為集團全資附屬公司凌志潤滑油有限公司之總經理。朱小姐於二零零二年畢業於上海中歐國際工商學院，並獲得工商管理碩士學位。彼於二零零三年加入本集團，在石油化工行業銷售及市場管理積十多年經驗。

## Management Executives (Continued)

**Mr. Tse Chun Wai, Richard**, aged 41, has been the financial controller of the Group since 2005. Mr. Tse obtained a Professional Diploma in Accountancy from the Hong Kong Polytechnic (now known as Hong Kong Polytechnic University). He also holds a Master Degree in Business Administration, a Master Degree in Science (Information Systems Management) and a Master Degree in Science (Investment Management) from the Hong Kong University of Science and Technology. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Chartered Institute of Management Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. He joined the Group in 2000 and has over 10 years of experience in the field of auditing and accounting.

**Mr. Huang Guan Song**, aged 53, has been the general manager of Hang Cheung Petrochemical Limited, a wholly-owned subsidiary of the Company, since October 2006. He graduated from South China University of Technology in 1982. He joined the Group in 1987 and has 20 years of experience in the management of the petrochemical industry.

**Ms. Zhu Qing Hua**, aged 38, has been the general manager of Best Lubricant Blending Limited, a wholly-subsiary of the Group, since January 2005. Ms. Zhu graduated from China Europe International Business School in 2002 with a Master Degree in Business Administration. She joined the Group in 2003 and has over 10 years of experience in the sales and marketing management of the petrochemical industry.



黃文俊先生  
Mr. Wong Man Chun, Steman



黃光德先生  
Mr. Huang Guang De

**黃文俊先生**，現年三十九歲，於一九九零年加入特種潤滑油行業，並於一九九二年擔任中國大陸市場及業務經理，主要負責國內業務拓展及管理工作。於一九九五年成立「太平洋石油有限公司」，並擔任董事總經理一職。於二零零五年加入本集團。

**Mr. Wong Man Chun, Steman**, aged 39, joined the special lubricants industry in 1990 and was the China marketing and business manager in 1992. His duties were mainly for the China business development and management work. In 1995, he established a company named "Pacific Oil & Chemical Company Limited" and has been the managing director of the Company. Mr. Wong joined the Group in 2005.

**黃光德先生**，現年四十三歲，於一九九四年加入本集團並於二零零六年四月獲委任為集團成員惠陽大昌工業有限公司（現名大昌樹脂（惠州）有限公司）之總經理。黃先生一九八四年畢業於鄭州大學化學系，是國家知識產權局專利代理人及惠州市安全生產專家組成員，持有美國國際訓練協會高級管理諮詢顧問資格證書以及清華大學工商管理碩士研修班、項目管理研修班結業證書。彼先後在政府部門、研究所和化工廠任職，管理經驗豐富。

**Mr. Huang Guang De**, aged 43, joined the Group in 1994, has been the general manager of Hui Yang Da Chang Industrial Limited (now known as Dachang Polymers (Huizhou) Ltd.) since April 2006. Mr. Huang graduated from Department of Chemistry Zheng Zhou University in 1984, is a patent agent authorized by the State Intellectual Property Office of the People's Republic of China and a member of the Safety Production Expert's Group of Huizhou City, holds a Certificate of Senior Management Consultant from American International Training Association, and has completed a course in business administration and a course in project management at Tsing Hua University. Before joining the Group, he has worked in government departments, research institutes and chemical factories with extensive experience in management.

## 遵例聲明

本公司致力採納及維持高水準之企業管治。本公司董事會(「董事會」)相信，要達到盡量提高僱員、顧客、供應商、商業夥伴和股東們所得之價值及保障他們權益兩大集團之目標，良好管治實在不可或缺。

本報告載列本集團如何應用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄「企業常規守則」(「守則」)之原則。

在截至二零零七年三月三十一日止年度內，本公司均遵守常規守則，惟有關主席及行政總裁的角色應有區分，及不應由一人同時兼任之守則條文第A.2.1項則有所偏離。本公司之董事會認為在本集團而言行政總裁之角色與董事總經理之角色相等，而葉志成先生同時出任董事會主席及董事總經理。由二零零八年四月一日開始，集團將逐步推行新的管理架構和模式。屆時董事會的主席與管理委員會的行政總裁將由不同的人士出任。

## 董事會

董事會負責本集團的領導及監控，並監察本集團的業務、策略方向及財務表現。董事會各成員為本集團提供廣泛行業、財務及商業知識與經驗，董事會制定決策及策略時得以融合彼等之技巧及專長，並確保各董事每位均可對本集團作出重大貢獻。

## Statement of Compliance

The Company is committed to adopt and maintain a high standard of corporate governance. The board of directors of the Company (the "Board") believes that good governance is essential to achieving the Group's objectives of maximizing values for its employees, customers, suppliers, business partners and shareholders, and safeguarding the interests of them.

This report sets out the means by which the Group applies the principles in the Code on Corporate Governance Practices (the "Code"), as appended to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Throughout the year ended 31st March, 2007, the Company has complied with the Code save for the deviation from Code provision A.2.1 on the roles of chairman and chief executive officer which should be separated and should not be performed by the same individual. In the opinion of the Board, the role of the chief executive officer is equivalent to that of the managing director in the Group and Mr. Ip Chi Shing, Tony is now acting both as the Chairman of the Board and the Managing Director of the Company. Beginning on 1st April, 2008, the Group will gradually implement a new group management structure in which the role of the chairman of the Board and the role of the chief executive officer of the Group's management committee will be separated and held by two individuals.

## The Board

The Board is responsible for the leadership and control of the Group and oversees the businesses, strategic directions and financial performance of the Group. The members comprising the Board provide the Group with a diverse range of industry, financial and commercial knowledge and experience. This combination of skills and interests facilitates the Board in formulating its decisions and strategies and ensures that all Directors are able to make a significant and individual contribution to the Group.



**董事會** (續)**董事會組成**

董事會現由七位執行董事、一位非執行董事及三位獨立非執行董事組成。各董事之履歷載於第34頁至第41頁董事及行政人員簡介。本公司所有非執行董事及獨立非執行董事均有兩年指定任期，可膺選連任。

執行董事	葉志成先生 (主席及董事總經理)
	葉鳳娟小姐 (副主席)
	葉子軒先生 (副主席)
	吳紹平先生
	丁漢欽先生
	黃金焰先生 (副行政總裁)
楊民儉先生	
非執行董事	唐匯棟先生
獨立非執行董事	黃廣志先生
	歐陽贊邦先生
	李澤民先生

除葉志成先生為葉鳳娟小姐及葉子軒先生之兄外，董事之間概無其他關係。

本公司確認已經根據上市規則第3.13條收到三名獨立非執行董事就其獨立性而作出的年度確認函，而他們其中一名具備專業會計資格及相關財務管理經驗。

董事會不時就其組成及成員作出檢討，確保董事會具備所需技巧、經驗及廣泛才能，以便有效履行職責。目前，新董事之提名及委任工作由董事會全體負責。

**The Board** (Continued)**Composition of the Board**

The Board currently comprises seven executive, one non-executive and three independent non-executive directors. Biographic details of the Directors are set out in the section of Directors' and Management Executives' Profiles on pages 34 to 41. All non-executive Director and independent non-executive Directors are appointed for a specific terms of two years, subject to re-election.

Executive Directors	Mr. Ip Chi Shing, Tony (Chairman and Managing Director)
	Ms. Ip Fung Kuen (Deputy Chairman)
	Mr. Yip Tze Hin, Stephen (Deputy Chairman)
	Mr. Ng Siu Ping, George
	Mr. Ting Hon Yam
	Mr. Wong Kam Yim, Kenny (Deputy Chief Executive Officer)
Mr. Young Man Kim, Robert	
Non-executive Director	Mr. Tong Wui Tung, Ronald
Independent Non-executive Directors	Mr. Wong Kong Chi
	Mr. Au-Yeung Tsan Pong, Davie
	Mr. Li Chak Man, Chuck

Mr. Ip Chi Shing, Tony, is the brother of Ms. Ip Fung Kuen and Mr. Yip Tsz Hin, Stephen. Save as disclosed above, the Directors are not otherwise related to each other.

The Company has received annual confirmations from all three Independent Non-executive Directors in respect of their independence as set out in rule 3.13 of the Listing Rules. One of the Independent Non-executive Directors possesses the appropriate professional accounting qualifications and related financial management experience.

The Board regularly reviews its composition and membership to ensure that it possesses the necessary skill, experience and diversity to discharge its responsibilities effectively. Currently, the nomination and appointment of new directors are the responsibilities of the full Board.

## 董事會 (續)

### 董事會運作

於截至二零零七年三月三十一日年度，董事會舉行了十六次\*董事會常規及其他會議。各董事於有關會議之出席次數載列如下:-

董事	Director	董事會常規會議		董事會其他會議	
		Regular Board Meetings 出席次數 Attended	Regular Board Meetings 缺席次數 Apologise given	Other Board Meetings 出席次數 Attended	Other Board Meetings 缺席次數 Apologies given
<b>執行董事：</b>	<b>Executive Directors:</b>				
葉志成先生 (主席及董事總經理)	Mr. Ip Chi Shing, Tony (Chairman and Managing Director)	4	0	11	1
葉鳳娟小姐 (副主席)	Ms. Ip Fung Kuen (Deputy Chairman)	4	0	12	0
葉子軒先生 (副主席)	Mr. Yip Tsz Hin, Stephen (Deputy Chairman)	4	0	12	0
吳紹平先生	Mr. Ng Siu Ping, George	4	0	12	0
丁漢欽先生	Mr. Ting Hon Yam	4	0	12	0
黃金焰先生 (副行政總裁)	Mr. Wong Kam Yim, Kenny (Deputy Chief Executive Officer)	4	0	12	0
楊民儉先生	Mr. Young Man Kim, Robert	4	0	12	0
<b>非執行董事：</b>	<b>Non-executive Director:</b>				
唐匯棟先生	Mr. Tong Wui Tung, Ronald	4	0	12	0
<b>獨立非執行董事：</b>	<b>Independent Non-executive Directors:</b>				
黃廣志先生	Mr. Wong Kong Chi	4	0	12	0
歐陽贊邦先生	Mr. Au-Yeung Tsan Pong, Davie	4	0	8	4
李澤民先生	Mr. Li Chak Man, Chuck	4	0	12	0

\* 本公司於本年度概約每季舉行一次全年共舉行四次董事會常規會議，由大多數董事親身或通過其他電子通訊方式積極參與。除舉行之董事會常規會議外，董事會亦不時召開董事會其他會議，以批准日常事務或討論董事會當時有需要注意之事宜。

## The Board (Continued)

### Operation of the Board

During the year ended 31st March, 2007, sixteen \*regular and other Board meetings were held by the Board. The attendance of each Director at these meetings is shown in the table below:-

\* Four Regular board meetings are held approximately quarterly during the year which involve the active participation, either in person or through other electronic means of communications, by a majority of the directors. Besides the Regular board meetings, other board meetings are convened from time to time for the Board to approve routine business or discuss matters that require the Board's timely attention.

## 董事會 (續)

### 董事會運作

本集團已採取措施以便董事尋求獨立專業意見，費用由公司負責。本集團亦為新董事於委任後提供全面、正式及度身安排之簡介。

吳紹平先生身兼財務董事及公司秘書之職責，確保各董事可易於索取所有需要的資料及遵循所有董事會程序。吳先生亦負責為各董事提供持續專業發展之機會，以發展及更新彼等之知識及技巧，以確保彼等向董事會作出知情及恰當之貢獻。

### 董事會授權

本公司設有一份指定須由董事會作出決定事項之正式清單，並會定期檢討該清單。該等事項包括：

- 長期目標及策略
- 初步業績公佈
- 年度預算
- 主要資本開支、收購及出售
- 風險管理政策
- 關連交易
- 股息
- 新董事之委任
- 成立董事會轄下各委員會

## The Board (Continued)

### Operation of the Board

The Group has adopted procedures for the Directors to seek independent professional advice at the Company's expenses. New directors are offered a comprehensive, formal and tailored induction upon appointment.

The joint role of Finance Director and Company Secretary, held by Mr. Ng Siu Ping, George, ensures that the Directors have ready access to all necessary information and that all Board procedures are followed. Mr. Ng is also responsible for offering opportunities of continuing professional development to all Directors to develop and refresh their knowledge and skills to help ensure that their contribution to the Board remains informed and relevant.

### Delegation by the Board

A formal schedule of matters reserved for the Board is maintained and is subject to regular review. Those matters include:

- long term objectives and strategies
- preliminary announcements of results
- annual budgets
- major capital expenditure, acquisitions and disposals
- risk management policies
- connected transactions
- dividends
- appointment of new directors
- establishment of Board committees

## 董事會 (續)

### 董事會授權

就非指定事項，董事會向集團管理委員會（「管委會」）授權執行其主要行政，管委會之成員為六名執行董事：葉志成先生、葉子軒先生、吳紹平先生、丁漢欽先生、黃金焰先生及楊民儉先生與四名高級行政人員：鄺國照先生、李偉民先生、趙楚榜先生及謝俊偉先生。管委會根據清晰界定之職權範圍運作及定期每月舉行會議，管委會負責本集團的管理及日常營運事務。

董事會亦向薪酬委員會及審核委員會轉授下述之若干職責。

### 董事及高級管理層之薪酬

薪酬委員會於二零零五年六月成立，由一位非執行董事及三位獨立非執行董事組成，其主席為歐陽贊邦先生。薪酬委員會主要角色及功能如下：

- 就本集團所有董事及高級管理層之薪酬政策及結構，向董事會作出建議
- 釐定各執行董事及高級管理層之薪酬

## The Board (Continued)

### Delegation of the Board

In relation to non-reserved matters, the Board has delegated its principal executive responsibilities to the Group Management Committee (the "GMC"), which comprises six Executive Directors, namely Mr. Ip Chi Shing, Tony, Mr. Yip Tsz Hin, Stephen, Mr. Ng Siu Ping, George, Mr. Ting Hon Yam, Mr. Wong Kam Yim, Kenny and Mr. Young Man Kim, Robert, and four senior executives, namely, Mr. Kwong Kwok Chiu, Mr. Li Wai Man, Peter, Mr. Zhao Chu Bang and Mr. Tse Chun Wai, Richard. The GMC operates under a clearly defined set of Terms of Reference and normally meets on a monthly basis. It is also responsible for the management and day-to-day operations of the Group.

The Board also delegates certain responsibilities to the Remuneration and Audit Committees as described below.

### Remuneration of Directors and Senior Management

The Remuneration Committee, which comprises one Non-executive Director and three Independent Non-executive Directors, is chaired by Mr. Au-Yeung Tsan Pong, Davie and was formed in June 2005. Major roles and functions of the Remuneration Committee include:

- making recommendation to the Board on the Group's policy and structure for the remuneration of Directors and senior management
- determining the remuneration packages of all Executive Directors and senior management

## 董事及高級管理層之薪酬 (續)

薪酬委員會之職權範圍已登載於本公司網站，並應要求時可由公司秘書提供查閱。

於截至二零零七年三月三十一日年度，薪酬委員會舉行了三次正式會議，各成員於有關會議之出席次數載列如下 :-

成員	Member	出席次數 Attended	缺席次數 Apologies given
歐陽贊邦先生	Au-Yeung Tsan Pong, Davie	3	0
黃廣志先生	Wong Kong Chi	3	0
李澤民先生	Li Chak Man, Chuck	3	0
唐匯棟先生	Tong Wui Tung, Ronald	3	0

於該等會議上，薪酬委員會：

- 檢討本集團執行董事及高級管理層之薪酬結構及政策和支付的薪酬水平
- 檢討執行董事及高級管理層之績效目標
- 批准本集團於二零零七年四月向已挑選之董事及高級管理層授予購股權

董事酬金包括因管理本公司及其附屬公司事務而付給董事之款項。截至二零零七年三月三十一日止年度支付予本公司各董事的數額詳列於綜合財務報告附註9。

## Remuneration of Directors and Senior Management (Continued)

The terms of reference of the Remuneration Committee are available on the Company's website and from the Company Secretary on request.

During the year ended 31st March, 2007, the Remuneration Committee held three formal meetings and the attendance of each member at these meetings is shown in the table below:-

In these meetings, the Remuneration Committee:

- reviewed the remuneration structure and policy and the levels of remuneration paid to the Group's Executive Directors and senior management
- reviewed the performance targets of the Executive Directors and senior management
- approved the share options granted to selected Directors and senior management of the Group in April 2007

Directors' emoluments comprise payments to Directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The amounts paid to each Director of the Company for the year ended 31st March, 2007 are showed in Note 9 to the consolidated financial statements.

## 問責及核數

### 董事及核數師需承擔的責任

董事確認須負責編製本集團之財務報告及向股東提呈公佈，並保證在本集團之表現、地位及前景上，提供平衡、清晰及易於理解之評估。董事會並不知悉有任何重大不明確因素以致本集團之持續經營能力可能存有疑問。

核數師報告之責任於第63頁至65頁之核數師報告內陳述。

### 審核委員會

審核委員會於一九九八年十一月成立及現由一位非執行董事及三位獨立非執行董事組成，其主席為黃廣志先生。審核委員會主要角色及功能如下：

- 檢討本集團財務資料
- 監控本集團財務報告系統及內部控制程序
- 監察本集團與外聘核數師的關係

審核委員會之職權範圍已登載於本公司網站，並應要求時可由公司秘書提供查閱。

## Accountability and Audit

### Directors' and Auditors' responsibilities

The Directors acknowledge their responsibilities for preparing the financial statements of the Group and their announcements to shareholders and commits to the presentation of a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

The Auditors' reporting responsibilities are stated in the Independent Auditor's Report on pages 63 to 65.

### The Audit Committee

The Audit Committee was formed in November 1998 and currently comprises one Non-executive and three Independent Non-executive Directors and is chaired by Mr. Wong Kong Chi. Major roles and functions of the Audit Committee include:

- review of financial information of the Group
- oversight of the Group's financial reporting system and internal control procedures
- monitoring of the relationship between the Group and its external auditors

The terms of reference of the Audit Committee are available on the Company's website and from the Company Secretary on request.

## 問責及核數 (續)

### 審核委員會

審核委員會於截至二零零七年三月三十一日年度舉行了三次會議，各成員於有關會議之出席次數載列如下：-

成員	Member	出席次數 Attended	缺席次數 Apologies given
黃廣志先生	Wong Kong Chi	3	0
歐陽贊邦先生	Au-Yeung Tsan Pong, Davie	3	0
李澤民先生	Li Chak Man, Chuck	3	0
唐匯棟先生	Tong Wui Tung, Ronald	3	0

在該等會議中，審核委員會：

- 在本集團中期及年度業績獲董事會批准前對其進行審閱。在進行審閱的過程中，審核委員會專注於本集團表現與上年業績之重大偏差，以及判斷、選擇及應用會計政策之主要範圍及遵守監管規定
- 審閱內部審計部之報告、與內部審計主管就重大發現進行討論及批准內部審計計劃
- 與本集團之外聘核數師就核數計劃進行討論、按其保持獨立性之政策就其獨立性進行評估，以及檢討其所提供之非核數服務範圍

審核委員會已於二零零七年六月二十七日之審核委員會會議上審閱集團截至二零零七年三月三十一日止年度的經審核綜合財務報告。

## Accountability and Audit (Continued)

### The Audit Committee

The Audit Committee met three times during the year ended 31st March, 2007 and the attendance of each member at these meetings is shown in the table below:-

In these meetings, the Audit Committee:

- reviewed the interim and annual results of the Group before their approval by the Board and in doing so, the committee focused on material deviations of the Group's performance from past year's results, major areas of judgement, selection and application of accounting policies and compliance with regulatory requirements
- received reports from the internal audit department, discussed material findings with the head of internal audit and approved the internal audit plan
- discussed the audit plan with the Group's external auditors and assessed its independence with reference to its policies for maintaining independence and reviewed the extent of non-audit services provided

An audit committee meeting was held on 27th June, 2007 to review the Group's audited consolidated financial statements for the year ended 31st March, 2007.

## 問責及核數 (續)

### 內部控制

董事會授權管理層負責設計及執行適合內部監控之系統，以提供適當保障予財務報告、營運效能與適當法規之遵守。

內部審計部於一九九七年成立，獨立地監察內部監控程序之實施，並就內部監控系統之效能提供建議。內部審計主管直接向財務董事及審核委員會報告。

年內，董事會已檢討本集團內部監控系統之效能。隨著董事會成立之內部專責小組於二零零六年三月制定建議審查遵守守則條文C2.1，本集團對評估其內部監控系統進行全面檢討。是項檢討分兩階段進行。第一期涉及識別有關本集團之風險因素、評估每項風險因素之潛在影響、審查現有監控程序、以及劃分主要風險因素之優先次序。於第二期，部分主要風險因素予以深入詳細檢討，並向董事會提交監控程序之改善建議。董事會將會持續監察實施此等改良後之監控程序。

### 核數師之酬金

截至二零零七年三月三十一日止財政年度，已付予／應付予本集團核數師德勤•關黃陳方會計師行之費用如下：

所提供之服務	Services rendered	已付／應付酬金 Fee paid/payable 千港元 HK\$'000
審核服務	Audit services	2,530
非審核服務	Non-audit services	
— 稅項服務	— Taxation services	187
— 審閱中期報告	— Interim review	420
審核公積金	Audit of provident fund	16

## Accountability and Audit (Continued)

### Internal Control

The Board has delegated to management the responsibilities of designing and implementing an appropriate system of internal controls to provide reasonable assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

The internal audit department was set up in 1997 to monitor independently the implementation of the internal control procedures and to make recommendations on the effectiveness of the internal control system. The head of internal audit reports directly to the Finance Director and the Audit Committee.

During the year, the Board has conducted a review of the effectiveness of the system of internal control of the Group. Following the recommendations prepared in March 2006 by the internal task force set up by the Board to examine the compliance of Code provision C2.1, the Group undertook a comprehensive exercise to evaluate its internal control systems. The exercise was divided into 2 phases. The first phase involved the identification of the risk factors relevant to the Group, the assessment of the potential impact of each risk factor, the examination of the existing control procedures, and the prioritization of major risk factors. In the second phase, selected major risk factors were further reviewed in details and improvements in control procedures were put forward for Board approval. Implementation of these improved control procedures will be subject to an on-going monitoring process.

### Auditors' Remuneration

For the financial year ended 31st March, 2007, the fee paid/payable to the Group's external auditors, Messrs. Deloitte Touche Tohmatsu, is set out as follows:



## 投資者關係及股東通訊

董事會認同與所有股東有良好的溝通至為重要，本公司設立不同渠道保持與股東溝通。本公司的股東週年大會（「股東大會」）提供寶貴場合讓董事會直接與個別股東溝通。董事會主席出席股東大會，並安排董事會轄下薪酬及審核委員會的主席，或在該等主席缺席時由另一名委員會成員在股東大會上回答提問。在股東大會上，每項獨立的事宜均會個別提出決議案，包括選舉董事。

本集團企業傳訊部之成立，目的是為了加強與公眾人士及股東們之關係。該部門透過發佈集團新消息、與傳媒聯繫及積極地履行企業社會責任，以此促進集團的良好形象。部門亦負責以維持本集團之高透明度及向投資界推介，從而對本集團有更佳理解，發展投資者層面。

## 董事之證券交易

本公司已採納載於上市規則附錄十有關上市公司董事進行證券交易的標準守則（「標準守則」）。本公司已特別就年內董事是否有任何未遵守標準守則作出查詢，全體董事確認他們已完全遵從標準守則所規定的準則。

## Investor Relations and Communication with Shareholders

The Board recognizes the importance of good communications with all shareholders and establishes and maintains different communication channels with its shareholders. The Company's Annual General Meeting (the "AGM") provides a valuable forum for the Board to communicate directly with private shareholders. The Chairman of the Board attends the AGM and arranges the chairmen of the Remuneration and Audit Committees or, in their absence, another member of the committees to be available to answer questions at the AGM. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of Directors.

The Group's Corporate Communications Department aims to enhance its relationships with the public and its shareholders. The department strives to promote a positive image of the Group through news disclosures and media communications, and active engagement in corporate social responsibility efforts. The department is also responsible for developing the investors by base maintaining a high level of transparency and promoting a better understanding of the Group to the investment community.

## Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. After making specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code.

董事會提呈本公司及其附屬公司(於此統稱為「本集團」)截至二零零七年三月三十一日止年度報告及經審核綜合財務報告。

The directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31st March, 2007.

## 主要業務

本公司為一間投資控股公司，其主要附屬公司從事製造及買賣溶劑、塗料及潤滑油。

## Principal Activities

The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacture of and trading in solvents, coatings and lubricants.

## 業績及盈利分配

本集團截至二零零七年三月三十一日止年度之業績及本公司之盈利分配分別載於第66頁之綜合收益表及綜合財務報告附註12。本年度內已向股東派發中期股息每股6.0港仙及特別股息每股2.0港仙。董事會建議派發期末股息每股12.0港仙，估計為57,797,000港元，溢利餘額撥備保留。

## Results and Appropriations

The results of the Group and appropriations of the Company for the year ended 31st March, 2007 are set out in the consolidated income statement on page 66 and note 12 to the consolidated financial statements, respectively. An interim dividend of HK6.0 cents per share and a special dividend of HK2.0 cents per share were paid to the shareholders during the year. The directors propose a final dividend of HK12.0 cents per share, estimated to be HK\$57,797,000 and the retention of the remaining profit in reserves.

## 股本

本公司年內已發行股本之變動已載於綜合財務報告附註29。

## Share Capital

Details of and movements in the issued share capital of the Company during the year are set out in note 29 to the consolidated financial statements.

## 儲備

本集團及本公司年內之儲備變動分別載於第69頁之綜合權益變動表及綜合財務報告附註39(b)。

## Reserves

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 69 and note 39(b) to the consolidated financial statements, respectively.

## 儲備 (續)

本公司可供派發之儲備指股份溢價、特別儲備及保留溢利。按照開曼群島公司法第22章規定，在受制於本公司之公司組織章程大綱及細則規定之情況下，以及如果在進行分派或派發股息後本公司能在正常業務經營期間償還到期債務之情況下，本公司之股份溢價才能用作向股東進行分派或支付股息。按照本公司之公司組織章程細則，本公司只能從二零零七年三月三十一日之保留溢利110,444,000港元(二零零六年：142,206,000港元)中撥款派發股息。

## 物業、廠房及設備

年內，本集團總數共投資了約84,654,000港元於購買物業、廠房及設備以擴大其生意業務。此等詳情及年內本集團之物業、廠房及設備之其他變動列載於綜合財務報告附註14。

## 附屬公司

有關本公司於二零零七年三月三十一日之主要附屬公司詳情載於綜合財務報告附註38。

## Reserves (Continued)

The Company's reserves available for distribution represent the share premium, special reserve and retained profits. Under the Companies Law Chapter 22 of the Cayman Islands, the share premium of the Company is available for distribution or paying dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can only be distributed out of the retained profits of the Company, which amounted to HK\$110,444,000 at 31st March, 2007 (2006: HK\$142,206,000).

## Property, Plant and Equipment

During the year, the Group acquired property, plant and equipment totalling approximately HK\$85 million for expansion of its business. Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

## Subsidiaries

Details of the Company's principal subsidiaries at 31st March, 2007 are set out in note 38 to the consolidated financial statements.

## 董事及服務合約

年內及截至本報告日期為止本公司之董事如下：

### 執行董事：

葉志成先生 (主席)  
 葉鳳娟小姐 (副主席)  
 葉子軒先生 (副主席)  
 吳紹平先生  
 丁漢欽先生  
 黃金焰先生 (副行政總裁)  
 楊民儉先生

### 非執行董事：

唐匯棟先生

### 獨立非執行董事：

黃廣志先生  
 歐陽贊邦先生  
 李澤民先生

遵照本公司之公司組織章程細則，葉子軒先生、吳紹平先生及丁漢欽先生於即將舉行之股東週年大會上依章告退，惟彼等願膺選連任，而其餘所有董事則繼續留任。本公司之獨立非執行董事李澤民先生之委任，亦於即將舉行之股東週年大會結束時完結，惟彼等願再接納為期兩年之聘任。於去年非執行董事唐匯棟先生與獨立非執行董事黃廣志先生及歐陽贊邦先生已接納為期兩年之應聘。

## Directors and Service Contracts

The directors of the Company during the year and up to the date of this report were:

### Executive directors:

Mr. Ip Chi Shing, Tony (Chairman)  
 Ms. Ip Fung Kuen (Deputy Chairman)  
 Mr. Yip Tsz Hin, Stephen (Deputy Chairman)  
 Mr. Ng Siu Ping, George  
 Mr. Ting Hon Yam  
 Mr. Wong Kam Yim, Kenny (Deputy Chief Executive Officer)  
 Mr. Young Man Kim, Robert

### Non-executive director:

Mr. Tong Wui Tung, Ronald

### Independent non-executive directors:

Mr. Wong Kong Chi  
 Mr. Au-Yeung Tsan Pong, Davie  
 Mr. Li Chak Man, Chuck

In accordance with the provisions of the Company's Articles of Association, Mr. Yip Tsz Hin, Stephen, Mr. Ng Siu Ping, George and Mr. Ting Hon Yam will retire by rotation and, being eligible, offer themselves for re-election as directors at the forthcoming annual general meeting of the Company. All remaining directors will continue in office. The appointment of the independent non-executive director, Mr. Li Chak Man, Chuck, will also terminate at the conclusion of the forthcoming annual general meeting and, being eligible, offers himself for appointment for a specific term of two years. In the last year, the non-executive director, Mr. Tong Wui Tung, Ronald and the independent non-executive directors, Mr. Wong Kong Chi and Mr. Au-Yeung Tsan Pong, Davie were appointed for a specific term of two years.

## 董事及服務合約 (續)

於即將舉行之股東週年大會上獲提名膺選連任之董事概無與本公司或其附屬公司訂立任何本集團在一年內不可在不予賠償(法定賠償除外)的情況下終止之服務合約。

非執行董事及獨立非執行董事之袍金乃由董事會確定。

## 董事及最高行政人員於證券之權益及淡倉

於二零零七年三月三十一日，本公司董事及其各自的聯繫人士於本公司股份中的權益或淡倉(定義見證券及期貨條例(「證券及期貨條例」)第XV部)須(a)根據證券及期貨條例第XV部第7及第8部知會本公司及香港聯合交易所有限公司(「聯交所」)(包括彼等根據證券及期貨條例之該等條文被假設或視為擁有之權益或淡倉)；(b)根據證券及期貨條例第352條記載置存之登記冊內的權益或淡倉；或(c)根據上市發行人董事進行證券交易的標準守則知會本公司及聯交所的權益或淡倉如下：—

## Directors and Service Contracts (Continued)

No director being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The non-executive and independent non-executive directors' fees are determined by the Board of Directors.

## Directors' and Chief Executives' Interests and Short Positions in Securities

As at 31st March, 2007, the interests of the directors and their respective associates in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO); or (b) to be recorded in the register to be kept pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:—

董事及最高行政人員於證券之權益及淡倉 (續)

Directors' and Chief Executives' Interests and Short Positions in Securities (Continued)

好倉

Long positions

董事姓名 Name of Director	個人權益 Personal Interests	家族權益 Family Interests	總數 Total	已發行股本之百分比 Percentage of the issued share capital of the Company
葉志成先生 Mr. Ip Chi Shing, Tony	189,423,932	–	189,423,932	39.33%
葉鳳娟小姐 Ms. Ip Fung Kuen	59,000,000	–	59,000,000	12.25%
葉子軒先生 Mr. Yip Tsz Hin, Stephen	36,140,000	20,000,000 (a)	56,140,000	11.66%
吳紹平先生 Mr. Ng Siu Ping, George	1,632,000	50,000 (b)	1,682,000	0.35%
丁漢欽先生 Mr. Ting Hon Yam	150,000	–	150,000	0.03%
黃金焰先生 Mr. Wong Kam Yim, Kenny	208,000	–	208,000	0.04%
楊民儉先生 Mr. Young Man Kim, Robert	1,902,000	–	1,902,000	0.39%
唐匯棟先生 Mr. Tong Wui Tung, Ronald	–	500,000 (c)	500,000	0.10%
黃廣志先生 Mr. Wong Kong Chi	–	100,000 (d)	100,000	0.02%
歐陽贊邦先生 Mr. Au-Yeung Tsan Pong, Davie	–	–	–	–
李澤民先生 Mr. Li Chak Man, Chuck	150,000 (e)	– (e)	150,000	0.03%

附註：

Notes:

- (a) 此等股份由葉子軒先生之妻子曹家麗女士持有。
- (a) These shares are held by Madam Tso Ka Lai, the wife of Mr. Yip Tsz Hin, Stephen.
- (b) 此等股份由吳紹平先生之妻子蕭靄莉女士持有。
- (b) These shares are held by Madam Siu Oi Li, Maicy, the wife of Mr. Ng Siu Ping, George.
- (c) 此等股份由唐匯棟先生之妻子劉梅心女士持有。
- (c) These shares are held by Madam Lau Mui Sum, the wife of Mr. Tong Wui Tung, Ronald.
- (d) 此等股份由黃廣志先生之妻子詹小慧女士持有。
- (d) These shares are held by Madam Jim Siu Wai, the wife of Mr. Wong Kong Chi.
- (e) 此等股份與李澤民先生之妻子鄭綺霞女士共同持有。
- (e) These shares are jointly held with Madam Cheng Yee Ha, the wife of Mr. Li Chak Man, Chuck.

## 董事及最高行政人員於證券之權益及淡倉 (續)

有關本公司現有購股權計劃董事持有購股權之詳情載於下一節「購股權」。

葉志成先生、葉鳳娟小姐、葉子軒先生及葉志成先生妻子梁碧瑜女士各持有本公司之附屬公司葉氏恒昌(集團)有限公司之無投票權遞延股一股。

除上文所披露者及董事以本公司或其附屬公司受託人身份持有附屬公司若干代名人股份外，於二零零七年三月三十一日，各董事、最高行政人員或其聯繫人士均沒有於本公司或其任何聯營公司(按證券及期貨條例)之證券中持有任何權益或淡倉。

### 購股權

於二零零二年九月三日，本公司遵照聯交所證券上市規則第十七章之修訂，採納於二零一二年九月二日到期之購股權計劃(「現有計劃」)。現有計劃之詳情已載於綜合財務報告附註30。

## Directors' and Chief Executives' Interests and Short Positions in Securities (Continued)

Details of the share options held by the directors under the Company's existing share option scheme are shown in the next section "Share Options".

Mr. Ip Chi Shing, Tony, Ms. Ip Fung Kuen, Mr. Yip Tsz Hin, Stephen and Madam Liang Bih Yu, the wife of Mr. Ip Chi Shing, Tony, each holds one non-voting deferred share of Yip's H.C. (Holding) Limited, a subsidiary of the Company.

Other than as disclosed above and certain nominee shares in subsidiaries held by directors in trust for the Company or its subsidiaries, at 31st March, 2007, none of the directors, chief executive nor their associates held any interests or short positions in the securities of the Company or any of its associated corporations as defined in the SFO.

### Share Options

On 3rd September, 2002, the Company adopted a share option scheme (the "Existing Scheme") which will expire on 2nd September, 2012 in order to comply with the terms of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange. Particulars of the Existing Scheme are set out in note 30 to the consolidated financial statements.

## 購股權 (續)

年內，根據本公司現有計劃已授予若干董事或其他僱員購股權之變動詳情如下：—

## Share Options (Continued)

During the year, movements in the number of options which have been granted to certain directors and employees under the Company's Existing Scheme are as follows :-

	授出日期 Date of Grant	行使價 Exercise Price 港元 HK\$	購股權數目 Number of share options		
			於二零零六年 四月一日 尚未行使 Outstanding at 1.4.2006	年內已 行使 Exercised during the year	於二零零七年 三月三十一日 尚未行使 Outstanding at 31.3.2007
<b>董事</b> Directors					
吳紹平先生 Mr. Ng Siu Ping, George	二零零二年十一月十四日 14th November, 2002	1.190	500,000	—	500,000
	二零零四年五月十七日 17th May, 2004	1.590	300,000	—	300,000
	二零零五年十月二十四日 24th October, 2005	2.004	200,000	—	200,000
丁漢欽先生 Mr. Ting Hon Yam	二零零二年十一月十四日 14th November, 2002	1.190	500,000	—	500,000
	二零零四年五月十七日 17th May, 2004	1.590	150,000	150,000	—
	二零零五年十月二十四日 24th October, 2005	2.004	200,000	—	200,000
黃金焰先生 Mr. Wong Kam Yim, Kenny	二零零二年十一月十四日 14th November, 2002	1.190	500,000	—	500,000
	二零零四年五月十七日 17th May, 2004	1.590	300,000	—	300,000
	二零零五年十月二十四日 24th October, 2005	2.004	200,000	—	200,000
楊民儉先生 Mr. Young Man Kim, Robert	二零零五年十月二十四日 24th October, 2005	2.004	200,000	200,000	—
			3,050,000	350,000	2,700,000
<b>員工</b> Employees					
	二零零二年十一月十四日 14th November, 2002	1.190	400,000	300,000	100,000
	二零零四年五月十七日 17th May, 2004	1.590	2,200,000	925,000	1,275,000
	二零零四年十月八日 8th October, 2004	1.690	3,000,000	—	3,000,000
	二零零五年十月二十四日 24th October, 2005	2.004	7,074,000	3,510,000	3,564,000
			12,674,000	4,735,000	7,939,000
			15,724,000	5,085,000	10,639,000



## 購股權 (續)

年內並無購股權授予董事或其他僱員。而在緊接購股權行使日期之前的加權平均收市價為3.063港元。

除上文所披露者外，於年內任何時間，本公司或其任何附屬公司概無參與任何安排，以使本公司董事藉收購本公司或任何其他法人團體之股份或債券而獲益。

除上文所披露者外，年內各董事或其配偶或十八歲以下之子女均無任何權利以認購本公司之證券，或曾行使任何該等權利。

## 主要股東

於二零零七年三月三十一日，按根據證券及期貨條例第336條保存之主要股東登記名冊所示，除上文所披露有關若干董事之權益外，就本公司所知，並無任何人士於二零零七年三月三十一日擁有佔本公司已發行股本5%或以上之任何權益。

## Share Options (Continued)

No share option was granted to directors or employees during the year. Weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$3.063.

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other than as disclosed above, none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

## Substantial Shareholders

As at 31st March, 2007, the register of substantial shareholders maintained under Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain directors, the Company has not been notified of any interests representing 5% or more of the Company's issued share capital as at 31st March, 2007.

## 購買、出售或贖回本公司之上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

## 主要客戶及供應商

年內，本公司前五名供應商及客戶之購貨及營業總額均少於30%。

## 結算日後事項

有關結算日後事件之詳情載於綜合財務報告附註37。

## 公司管治

本公司之企業管治報告詳情載於第42至51頁之「企業管治報告」。

## 公眾持股量

根據本公司所得的公開資料及董事所知，於二零零七年三月三十一日及本報告日期，公眾人士持有之股份百分比按聯交所證券上市規則不少於本公司已發行股份25%之足夠公眾持股量。

## Purchase, Sale or Redemption of the Company's Listed Securities

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## Major Suppliers and Customers

During the year, the aggregate purchases and sales attributable to the Group's five largest suppliers and customers were both less than 30%.

## Post Balance Sheet Event

Details of post balance sheet event are set out in note 37 to the consolidated financial statements.

## Corporate Governance

Report on the Company's corporate governance are set out in "Corporate Governance Report" on pages 42 to 51.

## Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at 31st March, 2007 and the date of this report, there is sufficient public float of not less than 25% of the Company's total issued shares capital as required under the Rules Governing the Listing of Securities on the Stock Exchange.

## 捐款

年內，集團作出慈善及其它捐款合共約1,179,000港元。

## Donations

During the year, the Group made charitable and other donations amounting to HK\$1,179,000.

## 關連交易及董事之合約權益

於二零零六年四月十日，本公司之間接全資附屬有限公司香港紫荊花製漆(大中華)有限公司(「大中華」)與本公司附屬公司大中華、葉氏化工(上海)有限公司和紫荊花製漆(吉林)有限公司董事及本公司持有93.5%權益之附屬公司Bauhinia Paints Limited(「BPL」)少數股東王健先生(「王先生」)訂立協議，向王先生收購BPL餘下6.5%股本權益，代價為15,000,000人民幣(相等於約14,496,000港元)。

## Connected Transactions and Directors' Interests in Contracts

On 10th April, 2006, Hong Kong Bauhinia Paints Manufacturing (Greater China) Company Limited ("Greater China"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Mr. Wang Jian ("Mr. Wang"), a director of Greater China, Yip's Chemical (Shanghai) Co., Limited and Bauhinia Paints Manufacturing (Jilin) Co., Ltd., subsidiaries of the Company and being a minority shareholder of Bauhinia Paints Limited ("BPL"), a then 93.5% owned subsidiary of the Company, to acquire from Mr. Wang the remaining 6.5% equity interest of BPL, at a consideration of RMB15 million (equivalent to approximately HK\$14,496,000).

年內，本集團分別支付720,000港元、600,000港元及180,000港元之租金予港德投資有限公司、嘉捷投資有限公司及香港微型科技有限公司，本公司之董事葉志成先生、葉子軒先生及吳紹平先生分別於該三間公司持有受益權。

During the year, the Group paid rent of HK\$720,000, HK\$600,000 and HK\$180,000 to Goldex Investments Limited, Galsheer Investments Limited and Microphase Technology Company Limited respectively in which Mr. Ip Chi Shing, Tony, Mr. Yip Tsz Hin, Stephen and Mr. Ng Siu Ping, George, the directors of the Company, have beneficial interests respectively.

除以上所披露者外，於本年度年終時或年內任何時間並不存在本公司或其任何附屬公司有份參與本公司董事擁有重大直接或間接權益之重大合約。

Other than as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## 優先購買權

本公司之公司組織章程細則及開曼群島公司法概無有關優先購買權之條文，規定本公司須向現有股東提出按照彼等所持股份比例發售新股之建議。

## 核數師

有關重新委聘德勤•關黃陳方會計師行為本公司核數師之決議案將於本公司之股東週年大會上提呈。

承董事會命  
葉志成  
主席

香港，二零零七年七月三日

## Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association or the Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to listing shareholders.

## Auditors

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board  
Ip Chi Shing, Tony  
Chairman

Hong Kong, 3rd July, 2007

# Deloitte.

## 德勤

致葉氏化工集團有限公司股東  
(於開曼群島註冊成立為有限公司)

本核數師行已審核刊載於第 66 頁至第 132 頁有關葉氏化工集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報告，此綜合財務報告包括於二零零七年三月三十一日的綜合資產負債表及截至該日止年度的綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

### 董事就綜合財務報告須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例的披露規定編製並真實而公平地呈報上述綜合財務報告。這責任包括：設計、實施及維護與編製並真實公平地呈報綜合財務報告相關的內部監控，以使綜合財務報告不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇並應用適當的會計政策；以及按情況作出合理的會計估計。

TO THE SHAREHOLDERS OF YIP'S CHEMICAL HOLDINGS LIMITED  
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Yip's Chemical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") on pages 66 to 132, which comprise the consolidated balance sheet as at 31st March, 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## 核數師的責任

本行的責任是根據本行的審核，對該等綜合財務報告作出意見，並僅向全體股東滙報，並不為其他任何目的。本行不會就本報告的內容對任何其他人士承擔或接受任何責任。本行已根據香港會計師公會頒布的香港審核準則進行審核。該等準則要求本行遵守道德規範，並規劃及執行審核，以合理確定綜合財務報告是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關綜合財務報告所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報告存在重大錯誤陳述的風險。在評估該等風險時，核數師會考慮與公司編製並真實而公平地呈報綜合財務報告相關的內部監控，以設計適當的審核程序，但並非要對公司的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作的會計估計的合理性，以及評價綜合財務報告的整體呈報方式。

本行相信，本行所獲得的審核憑證是充足和適當地為本行的審核意見提供基礎。

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 意見

本行認為，有關綜合財務報告已根據香港財務報告準則真實而公平地反映 貴集團於二零零七年三月三十一日的財政狀況及 貴集團截至該日止年度的溢利和現金流量，並已按照香港公司條例之披露規定妥為編製。

德勤•關黃陳方會計師行  
執業會計師  
香港  
二零零七年七月三日

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st March, 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
3rd July, 2007

# 綜合收益表

截至二零零七年三月三十一日止年度

# CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2007

		附註 Notes	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
營業額	Turnover	7	3,913,835	3,329,670
銷售成本	Cost of sales		(3,121,237)	(2,667,211)
毛利	Gross profit		792,598	662,459
其他收入	Other income		26,420	16,240
銷售及經銷費用	Selling and distribution expenses		(106,407)	(98,611)
行政費用	Administrative expenses		(364,660)	(340,135)
經營溢利	Profit from operations	8	347,951	239,953
利息費用	Interest expense	10	(26,251)	(21,538)
除稅前溢利	Profit before taxation		321,700	218,415
稅項	Taxation	11	(51,982)	(21,681)
本年度純利	Profit for the year		269,718	196,734
應佔溢利:	Attributable to:			
本公司股東	Equity holders of the Company		223,636	168,389
少數股東權益	Minority interests		46,082	28,345
			269,718	196,734
每股盈利	Earnings per share	13		
— 基本	— Basic		46.6 仙 cents	35.5 仙 cents
— 攤薄	— Diluted		46.1 仙 cents	35.2 仙 cents



# 綜合資產負債表

於二零零七年三月三十一日

# CONSOLIDATED BALANCE SHEET

At 31st March, 2007

		附註 Notes	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
<b>非流動資產</b>	<b>Non-current assets</b>			
物業、廠房及設備	Property, plant and equipment	14	516,368	453,693
預付土地租金	Prepaid lease payments	15	75,728	74,669
商譽	Goodwill	16	30,491	19,231
無形資產	Intangible asset	17	1,000	2,000
可供出售投資	Available-for-sale investment	18	17,653	16,841
購買物業訂金	Deposits paid for acquisition of property, plant and equipment		17,774	–
遞延稅項資產	Deferred taxation assets	28	–	691
其他非流動資產	Other non-current assets	19	4,600	4,600
			<u>663,614</u>	<u>571,725</u>
<b>流動資產</b>	<b>Current assets</b>			
存貨	Inventories	20	417,767	341,742
應收賬款	Trade debtors	21	751,288	610,849
其他應收賬款及預付款項	Other debtors and prepayments	22	99,762	85,825
預付土地租金	Prepaid lease payments	15	2,212	2,280
衍生金融工具	Derivative financial instruments	23	4	2
短期銀行存款	Short-term bank deposits		94,481	26,804
銀行結餘及現金	Bank balances and cash	24	234,077	237,097
			<u>1,599,591</u>	<u>1,304,599</u>
<b>流動負債</b>	<b>Current liabilities</b>			
應付賬款及應計費用	Creditors and accrued charges	25	487,226	359,403
應付稅款	Taxation payable		56,163	18,388
融資租賃 – 一年內到期	Obligations under a finance lease – amount due within one year	26	–	33
銀行借貸 – 一年內到期	Bank borrowings – amount due within one year	27	428,508	347,390
銀行透支	Bank overdrafts		93	210
			<u>971,990</u>	<u>725,424</u>

		附註 Notes	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
流動資產淨值	Net current assets		627,601	579,175
總資產減流動負債	Total assets less current liabilities		1,291,215	1,150,900
非流動負債	Non-current liabilities			
銀行借貸	Bank borrowings			
— 一年後到期	— amount due after one year	27	55,636	165,885
遞延稅項負債	Deferred taxation liabilities	28	1,892	1,794
			57,528	167,679
			1,233,687	983,221
股本及儲備	Capital and reserves			
股本	Share capital	29	48,164	47,656
儲備	Reserves		1,055,644	846,295
本公司股東應佔權益	Equity attributable to equity holders of the Company		1,103,808	893,951
少數股東權益	Minority interests		129,879	89,270
			1,233,687	983,221

第66頁至第132頁之綜合財務報告已於二零零七年七月三日獲董事會批准及授權刊發，並由以下代表簽署：

The consolidated financial statements on pages 66 to 132 were approved and authorised for issue by the Board of Directors on 3rd July, 2007 and are signed on its behalf by:

董事  
葉志成

董事  
葉鳳娟

Director  
Ip Chi Shing, Tony

Director  
Ip Fung Kuen

# 綜合權益變動表

截至二零零七年三月三十一日止年度

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2007

		歸屬於本公司股東之權益 Attributable to equity holders of the Company													
		購股權 儲備		不可分派 儲備		匯兌儲備		法定儲備		資本回購 儲備		累計 溢利		少數股東 權益	
		股本	股份溢價	Share	Non -	匯兌儲備	法定儲備	Capital	累計	合計	Minority	合計			
		Share	Share	option	distributable	Translation	Legal	redemption	Retained	Total	Interests	Total			
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
於二零零五年四月一日	At 1st April, 2005	47,293	228,622	-	3,915	12,760	525	5,038	461,621	759,774	55,355	815,129			
折算香港以外附屬公司 之財務報告時產生之 匯兌差額	Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	18,142	-	-	-	18,142	1,771	19,913			
本年度純利	Profit for the year	-	-	-	-	-	-	-	168,389	168,389	28,345	196,734			
本年度確認收入總額	Total recognised income for the year	-	-	-	-	18,142	-	-	168,389	186,531	30,116	216,647			
小計	Sub-total	47,293	228,622	-	3,915	30,902	525	5,038	630,010	946,305	85,471	1,031,776			
因購股權獲行使而 發行股份之溢價	Shares issued at premium upon exercise of share options	363	5,505	(110)	-	-	-	-	-	5,758	-	5,758			
確認以股份為基準之 付款支出	Recognition of equity-settled share-based payment	-	-	1,258	-	-	-	-	-	1,258	-	1,258			
附屬公司少數股東的 資本投入	Capital contribution from minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	14,502	14,502			
轉帳至法定儲備	Transfer to legal reserve	-	-	-	-	-	49	-	(49)	-	-	-			
已付股息	Dividends paid	-	-	-	-	-	-	-	(59,370)	(59,370)	-	(59,370)			
已付附屬公司少數 股東股息	Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(10,703)	(10,703)			
於二零零六年 三月三十一日	At 31st March, 2006	47,656	234,127	1,148	3,915	30,902	574	5,038	570,591	893,951	89,270	983,221			
折算香港以外附屬公司 之財務報告時產生之 匯兌差額	Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	58,417	-	-	-	58,417	6,015	64,432			
本年度純利	Profit for the year	-	-	-	-	-	-	-	223,636	223,636	46,082	269,718			
本年度確認收入總額	Total recognised income for the year	-	-	-	-	58,417	-	-	223,636	282,053	52,097	334,150			
小計	Sub-total	47,656	234,127	1,148	3,915	89,319	574	5,038	794,227	1,176,004	141,367	1,317,371			
因購股權獲行使而發行 股份之溢價	Share issued at premium upon exercise of share options	508	9,534	(541)	-	-	-	-	-	9,501	-	9,501			
收購額外附屬 公司權益	Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	-	-	-	(3,273)	(3,273)			
轉帳至法定儲備	Transfer to legal reserve	-	-	-	-	-	547	-	(547)	-	-	-			
已付股息	Dividends paid	-	-	-	-	-	-	-	(81,697)	(81,697)	-	(81,697)			
已付附屬公司少數 股東股息	Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(8,215)	(8,215)			
二零零七年 三月三十一日	At 31st March, 2007	48,164	243,661	607	3,915	89,319	1,121	5,038	711,983	1,103,808	129,879	1,233,687			

不可分派儲備指用於以下各項之資金：(i) 彌補以往年度虧損或 (ii) 擴大生產運作。

The non-distributable reserve represents funds used to (i) make up prior year losses or (ii) expand production operations.

本集團不可予分派之法定儲備為香港以外附屬公司根據有關註冊地點之法定要求撥入之溢利。

The legal reserve is non-distributable and represents the transfer of profits of a subsidiary outside Hong Kong pursuant to the legal requirements in the relevant place of registration.

# 綜合現金流量表

截至二零零七年三月三十一日止年度

# Consolidated Cash Flow Statement

For the year ended 31st March, 2007

	附註 Notes	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
經營業務之現金流	Cash flows from operating activities		
除稅前溢利	Profit before taxation	321,700	218,415
經以下調整：	Adjustments for :		
無形資產攤銷	Amortisation of intangible asset	1,000	1,000
預付土地租金攤銷	Release of prepaid lease payments	2,172	2,270
被認作以股份為基準的付款支出	Equity-settled share based payment expense	–	1,258
物業、廠房及設備之折舊及攤銷	Depreciation and amortisation of property, plant and equipment	39,481	38,965
物業、廠房及設備之減值準備	Impairment loss of property, plant and equipment	191	1,571
回沖永久業權土地之減值準備	Reversal of impairment loss of freehold land	(952)	–
衍生金融工具公允值之變化	Change in fair value of derivative financial instruments	(2)	(2)
利息費用	Interest expense	26,251	21,538
出售物業、廠房及設備之虧損	Loss on disposal of property, plant and equipment	806	1,542
可供出售投資的股息收入	Dividend income from available-for-sale investment	(1,240)	–
利息收入	Interest income	(5,375)	(1,713)
出售附屬公司之溢利	Gain on disposal of a subsidiary	(487)	–
折算往來公司賬戶餘額之匯兌差額	Effect of foreign exchange rate changes on inter-company balances	6,041	(1,493)
未計營運資金變動前之經營業務現金流	Operating cash flows before movements in working capital	389,586	283,351
存貨增加	Increase in inventories	(61,768)	(41,436)
應收賬款增加	Increase in trade debtors	(106,483)	(45,049)
其他應收賬款及預付款增加	Increase in other debtors and prepayments	(4,881)	(3,264)
應付賬款及應計費用增加/(減少)	Increase (decrease) in creditors and accrued charges	81,977	(26,830)
營運所產生之淨現金	Net cash generated from operations	298,431	166,772
支付香港利得稅	Hong Kong Profits Tax paid	(4,625)	(543)
支付中國大陸之企業所得稅	Enterprise Income Tax in Mainland China paid	(8,793)	(14,807)
經營業務所產生之淨現金收入	Net cash from operating activities	285,013	151,422

	附註 Notes	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
投資業務所產生之現金流	Cash flows from investing activities		
購買物業、廠房及設備	Purchase of property, plant and equipment	(77,146)	(89,018)
購買物業訂金	Deposits paid for acquisition of property, plant and equipment	(17,774)	–
收購額外附屬公司權益	Acquisition of additional interests in subsidiaries	(14,533)	–
預付土地租金之付款	Payment for prepaid lease payments	(811)	–
收購一間附屬公司，扣除所購入之現金	Acquisition of a subsidiary, net of cash and cash equivalents acquired	35 9,816	–
已收利息	Interest received	5,375	1,713
出售物業、廠房及設備所收之款項	Proceeds from disposal of property, plant and equipment	2,194	3,795
可供出售投資的股息收入	Dividend received from available-for-sale investment	1,240	–
出售一間附屬公司所收之款項	Proceeds from disposal of a subsidiary	36 1,130	–
減少已抵押銀行存款	Decrease in pledged bank deposits	–	3,914
出售預付土地租金所收之款項	Proceeds from disposal of prepaid lease payments	–	676
購買可供出售投資	Purchase of available-for-sale investment	–	(16,526)
投資業務所產生之淨現金支出	Net cash used in investing activities	(90,509)	(95,446)
融資業務所產生之現金流	Cash flows from financing activities		
籌借銀行貸款	Bank loans raised	528,652	385,991
發行股份所得款項	Shares issued for cash	9,501	5,758
償還銀行貸款	Repayment of bank loans	(560,360)	(281,970)
支付股息	Dividends paid	(81,697)	(59,370)
支付利息	Interest paid	(26,251)	(21,538)
支付附屬公司之少數股東股息	Dividends paid to minority shareholders of subsidiaries	(8,215)	(10,703)
償還融資租賃	Repayment of obligations under a finance lease	(33)	(56)
少數股東之資本貢獻	Capital contribution from minority shareholders	–	14,502
融資業務所產生之淨現金(支出)收入	Net cash (used in) from financing activities	(138,403)	32,614
淨現金及現金等額增加	Net increase in cash and cash equivalents	56,101	88,590
年初時之現金及現金等額	Cash and cash equivalents at beginning of the year	263,691	172,001
匯率變動所產生之影響	Effect of foreign exchange rate changes	8,673	3,100
年終時之現金及現金等額	Cash and cash equivalents at end of the year	328,465	263,691
現金及現金等額分析	Analysis of balances of cash and cash equivalents		
短期銀行存款	Short-term bank deposits	94,481	26,804
銀行結餘及現金	Bank balances and cash	234,077	237,097
銀行透支	Bank overdrafts	(93)	(210)
		328,465	263,691

## 1. 緒言

本公司是一間按照開曼群島公司法在開曼群島註冊成立之豁免公司，其股份於香港聯合交易所有限公司上市。本公司之註冊辦事處及主要營業地點於本年報公司資料內披露。

綜合財務報告以港元呈列，而本公司之功能貨幣為人民幣。本公司選擇港元作為其呈報貨幣之原因，是基於本公司股份乃於聯交所上市之公眾公司，而大部分投資者位於香港。

本公司為一間投資控股公司，其主要附屬公司從事製造及買賣溶劑、塗料及潤滑油業務。

## 2. 新訂及經修訂香港財務報告準則（「香港財務報告準則」）的應用

於本年度，本集團首次採用多項由香港會計師公會頒佈之新準則、修訂及詮釋（「新香港財務報告準則」），該等準則於二零零五年十二月一日或二零零六年一月一日或二零零六年三月一日其後開始之會計期間生效。採用新香港財務報告準則對本會計期間或過往會計期間的業績與財務狀況的編製及呈列方式並無重大影響。因此毋須作出前期調整。

## 1. General

The Company is an exempted company incorporated in the Cayman Islands under the Companies Law of the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars while the functional currency of the Company is Renminbi ("RMB"). The reason for selecting Hong Kong dollars as its presentation currency because the Company is a public company with the shares listed on the Stock Exchange, where most of its investors are located in Hong Kong.

The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacture of and trading in solvents, coatings and lubricants.

## 2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRS"s)

In the current year, the Group has applied, for the first time, a number of new HKFRSs, Hong Kong Accounting Standards ("HKAS"s), amendments of HKAS ("Amendment"s), revisions of HKAS ("Revised") and Interpretations ("INT"s) (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are either effective for the accounting periods beginning on or after 1st December, 2005, 1st January, 2006, or 1st March, 2006. The adoption of the new HKFRSs has no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior period adjustment has been required.

## 2. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)的應用(續)

本集團並無提早採用下列已頒佈但尚未生效之新準則、修訂本或詮釋。本公司董事預期採用該等準則、修訂本或詮釋不會對本集團之業績及財務狀況造成重大影響。

香港會計準則 第1號(經修訂)	資本披露 <sup>1</sup>
香港會計準則 第23號(經修訂)	借款費用 <sup>2</sup>
香港財務報告準則 第7號	金融工具：披露 <sup>1</sup>
香港財務報告準則 第8號	經營分類 <sup>2</sup>
香港(國際財務報告 詮釋委員會) 詮釋第8號	香港財務報告準則 第2號之範圍 <sup>3</sup>
香港(國際財務報告 詮釋委員會) 詮釋第9號	重估隱含之衍生工具 <sup>4</sup>
香港(國際財務報告 詮釋委員會) 詮釋第10號	中期財務報告及 減值 <sup>5</sup>
香港(國際財務報告 詮釋委員會) 詮釋第11號	香港財務報告準則第 2號－集團及庫務 股份交易 <sup>6</sup>
香港(國際財務報告 詮釋委員會) 詮釋第12號	服務經營權安排 <sup>7</sup>

<sup>1</sup> 於二零零七年一月一日或其後開始之年度期間生效

<sup>2</sup> 於二零零九年一月一日或其後開始之年度期間生效

<sup>3</sup> 於二零零六年五月一日或其後開始之年度期間生效

<sup>4</sup> 於二零零六年六月一日或其後開始之年度期間生效

<sup>5</sup> 於二零零六年十一月一日或其後開始之年度期間生效

<sup>6</sup> 於二零零七年三月一日或其後開始之年度期間生效

<sup>7</sup> 於二零零八年一月一日或其後開始之年度期間生效

## 2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRS”s) (continued)

The Group has not early applied the following new standards, amendment, revision and interpretations that have been issued but are not yet effective. The directors of the Company anticipate the application of these new standards, amendment, revision and interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital disclosures <sup>1</sup>
HKAS 23 (Revised)	Borrowing costs <sup>2</sup>
HKFRS 7	Financial instruments: Disclosures <sup>1</sup>
HKFRS 8	Operating segments <sup>2</sup>
HK(IFRIC)* - INT 8	Scope of HKFRS 2 <sup>3</sup>
HK(IFRIC) - INT 9	Reassessment of embedded derivatives <sup>4</sup>
HK(IFRIC) - INT 10	Interim financial reporting and impairment <sup>5</sup>
HK(IFRIC) - INT 11	HKFRS 2 – Group and treasury share transactions <sup>6</sup>
HK(IFRIC) - INT 12	Service concession arrangements <sup>7</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2007.

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2009.

<sup>3</sup> Effective for annual periods beginning on or after 1st May, 2006.

<sup>4</sup> Effective for annual periods beginning on or after 1st June, 2006.

<sup>5</sup> Effective for annual periods beginning on or after 1st November, 2006.

<sup>6</sup> Effective for annual periods beginning on or after 1st March, 2007.

<sup>7</sup> Effective for annual periods beginning on or after 1st January, 2008.

\*IFRIC represents the International Financial Reporting Interpretations Committee.

### 3. 主要會計政策

本綜合財務報告按歷史成本法編撰，若干金融工具則除外，該等金融工具按公允價值計量，有關說明在下文主要會計政策載述。

本綜合財務報告根據香港會計師公會所發出之香港財務報告準則編撰。此外，本綜合財務報告包括了香港聯合交易所有限公司證券上市規則及香港公司條例所規定之有關披露。

#### 綜合基準

綜合財務報告收錄本公司及本公司控制之實體（其附屬公司）之財務報告。當本公司有能力管轄一個實體之財務及經營政策，據此從其活動獲益，則實現控制權。

年內購入或出售附屬公司業績乃就其購入之有效日期開始或計至出售之有效日期止（按適用者）計入綜合收益表內。

在必要時，本集團會把附屬公司財務報告作出調整，務使其會計政策和本集團其他成員所採用會計政策一致。

收購附屬公司額外權益並不導致控制權變動，不屬於香港財務報告準則第3號「業務合併」（「香港財務報告準則第3號」）之業務合併之定義。收購成本超出該附屬公司之資產及負債之賬面值確認為商譽。

本集團內所有公司間之交易、結存、收入及開支均在編製綜合賬目時抵銷。

### 3. Significant Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of additional interests of subsidiaries that do not result in a change in control do not fall within the definition of business combination under HKFRS 3 “Business Combinations” (“HKFRS 3”). The excess of the cost of acquisition over the carrying amount of assets and liabilities of the subsidiary is recognised as goodwill.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.



### 3. 主要會計政策(續)

少數股東在綜合附屬公司資產淨值中所佔權益，和本集團所佔股權，是分開呈報出來。少數股東權益包括於合併當日權益數量和少數股東從合併日起股權變動。除非少數股東有義務及有能力增加投資以抵銷虧損，否則少數股東所佔虧損，若超越其在附屬公司所佔股本權益，其差額將從本集團權益中扣減。

#### 業務合併

收購附屬公司採用購買會計處理法入賬。收購成本按交換當日所給予之資產、所產生或承擔之負債，以及本集團為控制被收購方而已發行股本工具之公允值總額，另加業務合併直接應佔之任何成本計量。符合 HKFRS 3 確認條件之被收購方之可識別資產、負債及或然負債，均以收購日之公允值確認。

因收購而產生之商譽確認為資產，初步按成本(即業務合併成本超逾本集團所佔之已確認之可識別資產、負債及或然負債之公允值淨額之權益)計量。倘於重新評估後，本集團應佔被收購方之可識別資產、負債及或然負債之公允值淨額之權益高於業務合併成本，超出部分即時於損益內確認。

少數股東於被收購方之權益初步按少數股東於已確認資產、負債及或然負債之公平值淨額所佔比例計量。

### 3. Significant Accounting Policies (continued)

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

#### Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

### 3. 主要會計政策 (續)

#### 商譽

於二零零五年一月一日或之前收購產生之商譽

於二零零五年一月一日達成協議收購附屬公司而產生的商譽乃指收購成本超出在收購日本集團應佔相關附屬公司之可辨認資產及負債之差額。

對於以前因收購而產生並予以資本化之商譽，本集團自二零零五年四月一日開始不再進行攤銷，但每年或與商譽有關之現金產成單元有減值跡象時進行減值測試。

於二零零五年一月一日或之後收購產生之商譽

於二零零五年一月一日或之後達成協議收購附屬公司而產生的商譽乃指收購成本超出在收購日本集團應佔相關附屬公司之可辨認資產、負債及或然負債之淨公允值差額。有關商譽乃按成本扣減任何累計減值虧損列賬。

收購附屬公司產生而被資本化之商譽於資產負債表內分開呈列。

### 3. Significant Accounting Policies (continued)

#### Goodwill

*Goodwill arising on acquisition prior to 1st January, 2005*

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill, the Group has discontinued amortisation from 1st April, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

*Goodwill arising on acquisition on or after 1st January, 2005*

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary, at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on acquisition of a subsidiary is presented separately in the balance sheet.

### 3. 主要會計政策 (續)

#### 商譽 (續)

為進行減值測試，收購附屬公司而產生之商譽被分配到各相關因收購產生的協同效應而得益之現金產成單元，或現金產成單位之組別。各被分配商譽之現金產成單位每年或有出現減值跡象時進行減值測試。就於某個財政年度因收購而產生之商譽，被分配商譽之現金產成單元於該財政年度完結前進行減值測試。當現金產成單元之可收回金額少於該單元之賬面值，則提取的減值損失首先沖抵分配至該單元之商譽，其後按帳面值的比例沖抵該單位內其他資產。商譽之任何減值虧損乃直接於綜合收益表內確認。商譽之減值虧損於其後期間不予撥回。

當附屬公司於其後出售，其相關之被資本化商譽將包括在出售盈虧的測算內。

#### 因收購附屬公司額外權益而產生之商譽

收購附屬公司額外權益產生之商譽，相當於收購額外權益之成本超出所收購額外權益應佔該附屬公司淨資產賬面值之金額。

### 3. Significant Accounting Policies (continued)

#### Goodwill (continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in a subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

#### Goodwill arising on acquisition of additional interests in a subsidiary

Goodwill arising on acquisition of additional interests in a subsidiary represents the excess of the cost of acquisition of the additional interests over the book value of the net assets of the subsidiary attributable to the additional interests acquired.

### 3. 主要會計政策(續)

#### 物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本值扣除期後累計折舊及累計減值損失列賬。

除在建工程外，折舊乃按物業、廠房及設備項目之估計可用年限以直線法攤銷其原值或估值。

根據融資租約持有之資產採用自有資產之相同基準按估計可使用年期或有關租約年期(以較短者為準)計算折舊。

在建工程指正在建造以供生產或自用之物業、廠房及設備。在建工程以成本減累計減值虧損列賬。在建工程於完成後可供用於擬定用途時重新分類為物業、廠房及設備之適當類別。此等資產之折舊基準與其他物業資產相同，乃於資產可供用於擬定用途時開始計提。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時不再確認。因不再確認資產而產生之任何收益(按該項目之出售所得款項淨額及賬面值間之差額計算)於不再確認該項目之年度計入綜合收益表。

### 3. Significant Accounting Policies (continued)

#### Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual values, using the straight line method.

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

### 3. 主要會計政策(續)

#### 發展中以供業主未來佔用之租賃土地及樓宇

當租賃土地及樓宇正在發展過程中以供生產或行政之用，租賃土地部分分類為預付土地租金，並於租賃期內以直線基準攤銷。於建築期內，租賃土地撥出之攤銷費用列入作為在建中樓宇之部分成本。在建中樓宇按成本減任何已識別減值虧損列賬。當樓宇可供使用時(即當樓宇已建於所在地點，並符合條件以管理層計劃之方式營運)則開始折舊。

#### 無形資產

無形資產起初按成本減所知減值準備入賬，並以直線法按其估計可使用年期五年攤銷。

因取消確認無形資產而產生之收益或虧損乃按出售所得款項淨額與該資產之賬面值之差額計算，並於該資產取消確認時在綜合收益表確認。

#### 減值(商譽以外)

於各結算日，本集團檢討其有形及無形資產之賬面值，以確定有否跡象顯示該等資產出現減值虧損。倘若某項資產可收回之金額估計低於其賬面值，該資產之賬面值將減至可收回之金額。減值虧損即時確認為開支。

### 3. Significant Accounting Policies (continued)

#### Leasehold land and buildings under development for future owner – occupied purpose

When the leasehold land and buildings are in the course of development for production or administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

#### Intangible asset

Intangible assets are measured initially at cost less identified impairment loss. The cost is amortised on a straight line basis over their estimated economic useful life of five years.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

#### Impairment (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as expense immediately.

### 3. 主要會計政策 (續)

#### 減值 (商譽以外) (續)

倘減值虧損其後撥回，則資產賬面值須增加至其經修訂之估計可收回金額，惟該增加之賬面值不得超過往年度假設並無就資產確認任何減值虧損下而釐定之賬面值。減值虧損撥回會即時確認為收入。

#### 存貨

存貨按成本或可變現淨值 (以較低價值為準) 入賬。成本按加權平均法計算。

#### 金融工具

財務資產及財務負債乃當某集團實體成為工具合同條文之訂約方時在資產負債表上確認。財務資產及財務負債按公允值初步確認。收購或發行財務資產及資產負債直接應佔之交易成本 (透過損益以公允值列賬之財務資產及財務負債除外) 乃於初步確認時加入財務資產或財務負債之公允值或自財務資產或財務負債之公允值內扣除 (如合適)。收購透過損益以公允值列賬之財務資產或財務負債直接應佔之交易成本即時於損益賬內確認。

### 3. Significant Accounting Policies (continued)

#### Impairment (other than goodwill) (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

#### Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3. 主要會計政策 (續)

#### 財務資產

本集團之財務資產主要為貸款及應收款項及可供出售之財務資產。所有定期購買或出售財務資產乃按交易日基準確認及取消確認。定期購買或出售乃購買或出售財務資產，並要求於市場上按規則或慣例設定之時間框架內付運資產。所採納之與各類財務資產有關之會計政策乃載於下文。

#### 貸款及應收款項

貸款及應收款項乃於現行市場所報之固定或可釐定付款之非衍生金融工具。於初步確認後各結算日，貸款及應收款項(包括應收貿易賬款、其他應收賬款、短期銀行存款及銀行結餘)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損乃當可實質證明資產減值時於損益中確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。

### 3. Significant Accounting Policies (continued)

#### Financial assets

The Group's financial assets are mainly loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade debtors, other debtors, short-term bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 3. 主要會計政策 (續)

#### 財務資產 (續)

##### 可供出售之財務資產

可供出售之財務資產乃非衍生性亦不能分類為其他組別。

該等並無活躍市場之市場報價，而其公允價值未能可靠計量的可供出售股權投資及與該等非上市股本權益工具有關，並須以交付該等工具結算之衍生工具，於首次確認後在各結算日按成本值減任何可識別減值虧損計量。倘客觀證明資產出現減值，則減值虧損會於損益內確認。減值虧損金額乃按資產賬面值與按類似財務資產之現行市場回報率折讓估計未來現金流量現值之差額計算。有關減值虧損將不會於以後期間撥回。

#### 財務負債及權益

集團實質發行之財務負債及權益投資工具乃根據合同安排之性質與財務負債及權益投資工具之定義分類。

就財務負債及權益工具所採納之會計政策乃載於下文。

### 3. Significant Accounting Policies (continued)

#### Financial assets (continued)

##### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

#### Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.



**3. 主要會計政策 (續)****財務負債及權益 (續)***銀行借貸*

計息銀行貸款及透支初始按公允值計算，其後以實際利率法按攤銷成本計算。扣除交易成本後的借貸所得款項與清還或贖回之貸款之差額會根據本集團有關借貸成本之會計政策於借貸年期內確認。

*其他財務負債*

其他財務負債包括應付款項乃隨後按實際利率法以攤銷成本計量。

*權益工具*

權益工具是任何合約，證明本集團於資產（經扣除所有負債後）之剩餘權益。本公司發行之權益工具以已收所得款項（經扣除直接發行成本後）予以記錄。

*衍生金融工具*

衍生金融工具被視為持有作買賣之財務資產或財務負債，衍生合同於首次確認及其後之各結算日乃按公允值計算。衍生金融工具公允值之變動，將於其產生時在損益中確認。

**3. Significant Accounting Policies (continued)****Financial liabilities and equity (continued)***Bank borrowings*

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

*Other financial liabilities*

Other financial liabilities including creditors are subsequently measured at amortised cost, using the effective interest method.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**Derivative financial instruments**

Derivative financial instruments are deemed as held for trading financial assets or financial liabilities, which are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

### 3. 主要會計政策 (續)

#### 解除確認

當金融資產收取現金流量之權利到期，或金融資產已予轉讓，而本集團已轉讓該金融資產擁有權之幾乎所有風險及回報時，則金融資產解除確認。當解除確認一項金融資產時，該資產賬面值與已收及應收代價金額及已直接於權益確認之累積收益或虧損之差額於損益確認。

當有關合約指定之義務解除、註銷或到期，則金融負債解除確認。已解除確認金融負債之賬面值與已付及應付代價之差額於損益確認。

#### 租賃

倘若租賃條款在實質上轉移了與所有權有關之幾乎全部風險和報酬，租賃會歸類為融資租賃。所有其他租賃均歸類為經營租約。

#### 本集團作為出租人

來自經營租約之租金收入會按有關租賃期以直接法於綜合收益表確認。由商議至安排經營租賃所涉及之初始直接成本均包括於有關租賃資產之賬面值內，並按直線法在有關租賃期內確認。

### 3. Significant Accounting Policies (continued)

#### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight line basis over the lease term.

### 3. 主要會計政策(續)

#### 租賃(續)

##### 本集團作為承租人

按融資租約持有之資產按租約開始時之公允值或按最低租約付款(倘為較低者)之現值確認為本集團資產。出租人之相應負債於綜合資產負債表列作融資租約承擔。租約付款按比例於融資費用及減少租約承擔之間作出分配，從而使該等負債之應付餘額之息率固定。融資費用於損益表中扣除，惟直接源自合資格資產例外，在此情況下，則根據本集團之借貸成本一般政策以予資本化。

屬於經營租約之應付租金乃按相關租約年期以直線法於收益表扣除。因訂立經營租約所收及應收利益以直線法按租約年期沖減租金費用。

##### 收入之確認

收益乃按已收或應收代價之公允值計算，並相當於一般業務過程中提供貨品及服務之應收款項扣除折扣及銷售相關稅項。

貨品之銷售額於已送交貨品及移交所有權之時予以確認。

倉儲收入於提供倉儲服務後予以確認。

利息收入是財務資產所賺取之收入按未提取本金及適用實際利率以時間基準計算，有關利率乃於金融資產預期年期將估計日後現金收款貼現至該資產賬面淨值之利率。

當股東收取付款之權利確立時，則確認投資之股息收入。

### 3. Significant Accounting Policies (continued)

#### Leases (continued)

##### The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

##### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has been passed.

Storage income is recognised when storage services are provided.

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

### 3. 主要會計政策 (續)

#### 外幣

於編製各個別集團實體之財務報告時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率折算為功能貨幣(如該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣為定值之貨幣項目均按結算日之適用匯率重新折算。按公允值以外幣定值之非貨幣項目乃按於公允值釐定當日之適用匯率重新折算。按外幣過往成本計量之非貨幣項目毋須重新折算。

結算及折算貨幣項目所產生之匯兌差額於產生期間在損益確認。折算非貨幣項目所產生之匯兌差額按公允值計入有關期間之損益，惟重新折算之非貨幣項目所產生的匯兌差額直接在權益確認有關盈虧除外，屆時匯兌差額亦直接在權益確認。

就呈列綜合財務報告而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率折算為本公司之列賬貨幣(如港元)，而其他收入及支出乃按該年度之平均匯率進行折算，除非匯率於該期間內出動大幅波動則作別論，於此情況下，則採用於折算當日之適用匯率。所產生之匯兌差額(如有)乃確認作股本之獨立部分(匯兌儲備)。該等匯兌差額乃於海外業務被出售時於損益賬內反映。

### 3. Significant Accounting Policies (continued)

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

### 3. 主要會計政策 (續)

#### 外幣 (續)

於二零零五年四月一日或以後，於收購海外業務時產生之有關所收購可識別資產之商譽及公允值調整乃歸納為該海外經營業務之資產及負債，並按於結算日之適用匯率進行折算。產生之匯兌差額乃於匯兌儲備內確認。

於二零零五年四月一日之前，於收購海外業務產生之有關所收購可識別資產之商譽及公允值調整乃作收購者的非貨幣之外幣項目，並以收購前一天的歷史成本入賬。

#### 借貸成本

因購入、建造或生產合資格資產而直接產生之借貸成本可作資本化。該等借貸成本在該等資產準備轉作其特定用途或以供銷售時停止資本化。特定借貸項目之短期投資所得之投資收入在合資格資產攤銷開支前須從已資本化之借貸成本扣除。

所有其他借貸成本乃於其產生期間在損益中確認。

#### 稅項

稅項支出包括年內應課稅額及遞延稅項總和。

### 3. Significant Accounting Policies (continued)

#### Foreign currencies (continued)

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on an acquisition of a foreign operation on or after 1st April, 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Goodwill and fair value adjustments arising on acquisitions of foreign operations prior to 1st April, 2005 are treated as non-monetary foreign currency items of the acquirer and reported using the historical exchange rate prevailing at the date of the acquisition.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation.

### 3. 主要會計政策 (續)

#### 稅項 (續)

應課稅額乃按年內之應課稅溢利計算。應課稅溢利有別於綜合收益表內呈報之溢利，由於計算應課稅溢利並不包括一些於其他年度才需課稅或才獲寬減之收入或支出，一些於毋須課稅或不獲寬減之項目亦不包括在內。本集團本期間稅項乃按現行稅率或結算日時實際確立之稅率計算。

遞延稅項乃指因綜合財務報告中資產及負債帳面金額與計算應課稅溢利的對應稅項基準出現差異而預期之應付或應收稅項，其計算方法乃使用資產負債表負債法。遞延稅項負債一般確認所有應課稅項目之暫時差異，而遞延稅項資產只確認可於日後用作扣減應課稅溢利而獲寬減稅項之暫時差異。如因商譽或於交易中首次確認(商業合併除外)為其他資產或負債，但並未對應課稅溢利或會計溢利造成影響而出現暫時差異，該資產或負債將不會入帳。

遞延稅項資產之帳面金額應於每一年度結算日再作檢討，其減少之幅度為應課稅溢利並未足夠使用該部份資產。

遞延稅項乃按預期清還負債或變現資產年度之稅率計算。遞延稅項將計入或扣除於綜合收益表內，但若該項目是直接計入或扣除權益，則該遞延稅項亦應直接計入權益內。

### 3. Significant Accounting Policies (continued)

#### Taxation (continued)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible. Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred taxation assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred taxation is charged or credited to consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is also dealt with in equity.

### 3. 主要會計政策(續)

#### 退休福利計劃供款

當僱員提供服務賦予彼等權利獲得供款，向界定供款退休福利計劃及國家管理退休福利計劃作出之付款作為開支扣除。

#### 股份付款交易

被認作以股份為基準的付款支出

#### 授予僱員之購股權

於二零零五年四月一日之前授出及歸屬之購股權

已授出之購股權之財務影響並無記錄於本公司之綜合資產負債表內，直至購股權行使之時為止，而綜合收益表內並無就該年度授出購股權之價值確認支出。於行使購股權時，據此發行之股份由本公司按股份面值記錄為額外股本，而每股行使價超出股份面值之金額由本公司記錄為股份溢價。於行使日期前失效或註銷之購股權，從未行使購股權名冊中刪去。

於二零零五年四月一日之後授出及歸屬之購股權

所獲服務之公允值乃參考授出購股權日期之公允值釐定，倘授出之購股權立即歸屬，則於授出日期全數確認為開支，並相應增加購股權儲備。

當行使購股權時，以往於購股權儲備確認之金額將轉撥至股份溢價。當購股權於屆滿日仍未獲行使，以往於購股權儲備確認之金額將轉撥至保留溢利。

### 3. Significant Accounting Policies (continued)

#### Retirement benefit costs

Payments to defined contribution retirement benefit plans and state-managed retirement benefit schemes are charged as expenses when employees have rendered services entitling them to the contributions.

#### Share-based payment transactions

#### Equity-settled share-based payment transactions

#### Share options granted to employees

Share options granted and vested before 1st April, 2005

The financial impact of share options granted is not recorded in the Company's consolidated balance sheet until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted in that year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

Share options granted and vested after 1st April, 2005

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in share option reserve.

At the time when the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share premium. When the share options are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

#### 4. 估計不明朗因素之主要來源

##### 商譽之估計減值

釐定商譽有否減值須估計獲分配商譽之現金產生單位之使用價值。在計算使用價值時，本集團須估計該現金產生單位產生之未來現金流量，並以適當之貼現率計算其現值。於二零零七年三月三十一日，商譽之賬面值為30,491,000港元。可收回金額計算方法之詳情於附註16披露。

#### 5. 財務工具

##### 財務風險管理目標與政策

本集團之主要金融工具包括貿易應收款項、其他應收賬款、可供出售投資、短期銀行存款、銀行結餘、應付賬款及銀行借貸。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層監控該等風險，以確保及時及有效地採取適當之措施。

##### 市場風險

##### (i) 外匯風險

本集團主要於中國大陸經營業務，大部份交易均以人民幣計值及結算。人民幣不可自由兌換為其他外幣，而人民幣兌換為外幣亦受中國大陸政府公佈之外匯管制規則及規例所限。

本集團已運用遠期合約以降低部份外匯風險。

#### 4. Key Sources of Estimation Uncertainty

##### Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. As at 31st March, 2007, the carrying amount of goodwill is HK\$30,491,000. Details of the recoverable amount calculation are disclosed in note 16.

#### 5. Financial Instruments

##### Financial risk management objectives and policies

The Group's major financial instruments include trade debtors, other debtors, available-for-sale investment, short-term bank deposits, bank balances, creditors and bank borrowings. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### Market risk

##### (i) Currency risk

The Group mainly operates in Mainland China with most of the transactions denominated and settled in RMB. RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the government of Mainland China.

The Group has also used forward contracts to reduce some of the foreign currency exposures.



## 5. 財務工具(續)

### 市場風險(續)

#### (ii) 利率風險

本集團的利率風險基本來自短期銀行存款的利率變動，銀行結餘及銀行借貸。本集團現時並沒有現金流量對沖利率風險之合約。然而，管理層監控利率風險，並將於需要時考慮對沖重大利率風險。

### 信貸風險

本集團就將因未能解除交易方責任對本集團造成之財務虧損可能承擔之最高信貸風險，為綜合資產負債表內所列有關已確認金融資產之賬面值。

為盡量減低有關貿易應收賬款之信貸風險，本集團管理層監控各項程序，以確保作出跟進行動收回過期債項。此外，本集團之管理層審閱於各結算日之每項個別貿易應收賬款，以確保可為不可收回之金額撥出充足之減值虧損。於此情況下，本公司之董事認為本集團之信貸風險已顯著地減少。

由於有關風險乃分散於多名交易方及客戶之中，因此本集團之信貸風險並不相當集中。

由於交易方為獲國際信貸評級機構及信譽良好之國有銀行評級為良好信貸評級之銀行，故流動資金之信貸風險有限。

## 5. Financial Instruments (continued)

### Market risk (continued)

#### (ii) Interest rate risk

The Group's cash flow interest-rate risk relates primarily to variable-rate short-term bank deposits, balances with banks and bank borrowings. The Group currently does not have a policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

### Credit risk

The Group's maximum exposure to credit risk in which will cause a financial loss to the Group due to failure to discharge on obligation by counterparties is the carrying amounts of those respective recognised financial assets as stated in the consolidated balance sheet.

In order to minimise the credit risk in relation to trade debtors, the management of the Group monitors procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The credit risk on liquid funds is limited because the majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation.

## 6. 業務及地區分類

### (a) 業務分類

從管理角度，本集團目前將業務分為三個業務類別，即溶劑、塗料及潤滑油。本集團乃按該等業務呈報其主要分類資料。

主要業務如下：

- 溶劑 – 製造及買賣溶劑及相關產品
- 塗料 – 製造及買賣塗料及相關產品
- 潤滑油 – 製造及買賣潤滑油產品

(i) 本集團之營業額及業績按業務分類如下：

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	交易抵銷 Elimination 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零零七年 三月三十一日止年度	Year ended 31st March, 2007						
分類營業額	Segment revenue						
對外銷售	External sales	2,194,656	1,398,708	205,085	115,386	-	3,913,835
分類間銷售	Inter-segment sales	46,595	44,166	439	5,341	(96,541)	-
總額	Total	<u>2,241,251</u>	<u>1,442,874</u>	<u>205,524</u>	<u>120,727</u>	<u>(96,541)</u>	<u>3,913,835</u>
業績	Results						
分類業績	Segment result	<u>252,324</u>	<u>88,501</u>	<u>(6,384)</u>	<u>13,952</u>	<u>111</u>	348,504
利息收入	Interest income						5,375
未分配集團費用	Unallocated corporate expenses						(5,928)
經營溢利	Profit from operations						347,951
利息費用	Interest expense						(26,251)
除稅前溢利	Profit before taxation						321,700
稅項	Taxation						(51,982)
本年度純利	Profit for the year						<u>269,718</u>

業務間之銷售與給予外界人士的條款相近。

## 6. Business and Geographical Segments

### (a) Business segments

For management purposes, the Group's operations are currently classified under three business divisions, namely solvents, coatings and lubricants. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

- Solvents – manufacture of and trading in solvents and related products
- Coatings – manufacture of and trading in coatings and related products
- Lubricants – manufacture of and trading in lubricants products

(i) An analysis of the Group's turnover and results by business segments is as follows:

Inter-segment sales are charged at the similar terms as outsiders.

## 6. 業務及地區分類 (續)

### (a) 業務分類 (續)

- (i) 本集團之營業額及業績按業務分類如下：(續)

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	交易抵銷 Elimination 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零零六年 三月三十一日止年度	Year ended 31st March, 2006						
分類營業額	Segment revenue						
對外銷售	External sales	1,902,480	1,149,882	219,058	58,250	-	3,329,670
分類間銷售	Inter-segment sales	71,101	46,152	256	5,773	(123,282)	-
總額	Total	<u>1,973,581</u>	<u>1,196,034</u>	<u>219,314</u>	<u>64,023</u>	<u>(123,282)</u>	<u>3,329,670</u>
業績	Results						
分類業績	Segment result	<u>157,262</u>	<u>80,568</u>	<u>(296)</u>	<u>5,736</u>	<u>(260)</u>	243,010
利息收入	Interest income						1,713
未分配集團費用	Unallocated corporate expenses						(4,770)
經營溢利	Profit from operations						239,953
利息費用	Interest expense						(21,538)
除稅前溢利	Profit before taxation						218,415
稅項	Taxation						(21,681)
本年度純利	Profit for the year						<u>196,734</u>

業務間之銷售與給予外界人士的條款相近。

## 6. Business and Geographical Segments

(continued)

### (a) Business segments (continued)

- (i) An analysis of the Group's turnover and results by business segments is as follows: (continued)

Inter-segment sales are charged at the similar terms as outsiders.

## 6. 業務及地區分類 (續)

### (a) 業務分類 (續)

#### (ii) 其他資料

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	集團 Corporate level 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零零七年 三月三十一日止年度	Year ended 31st March, 2007						
資本性添置	Capital additions	14,136	56,578	12,671	–	1,269	84,654
物業、廠房及設備之 折舊及攤銷	Depreciation and amortisation of property, plant and equipment	12,018	22,517	3,278	54	1,614	39,481
預付租賃攤銷	Release of prepaid lease payments	345	1,492	–	–	335	2,172
物業、廠房及設備之 減值(回撥)準備	Impairment loss (reversal of impairment loss) in respect of property, plant and equipment	14	(775)	–	–	–	(761)
無形資產攤銷	Amortisation of intangible asset	–	1,000	–	–	–	1,000
出售物業、廠房及 設備之虧損	Loss on disposal of property, plant and equipment	129	447	228	–	2	806

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	集團 Corporate level 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零零六年 三月三十一日止年度	Year ended 31st March, 2006						
資本性添置	Capital additions	18,234	65,879	3,675	7	1,223	89,018
物業、廠房及設備之 折舊及攤銷	Depreciation and amortisation of property, plant and equipment	11,017	22,814	2,788	104	2,242	38,965
預付租賃攤銷	Release of prepaid lease payments	411	1,523	–	–	336	2,270
物業、廠房及設備之 減值準備	Impairment loss in respect of property, plant and equipment	35	1,536	–	–	–	1,571
無形資產攤銷	Amortisation of intangible asset	–	1,000	–	–	–	1,000
出售物業、廠房及 設備之虧(盈)	Loss (gain) on disposal of property, plant and equipment	390	1,205	(252)	–	199	1,542

## 6. Business and Geographical Segments

(continued)

### (a) Business segments (continued)

#### (ii) Other information

## 6. 業務及地區分類 (續)

### (a) 業務分類 (續)

(iii) 本集團按業務分類之資產負債分析如下：

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
於二零零七年 三月三十一日	At 31st March, 2007					
資產	Assets					
分類資產	Segment assets	740,881	960,247	177,235	22,051	1,900,414
未分配集團資產	Unallocated corporate assets					362,791
綜合總資產	Consolidated total assets					<u>2,263,205</u>
負債	Liabilities					
分類負債	Segment liabilities	248,360	162,638	48,176	12,843	472,017
應付稅款	Taxation payable					56,163
遞延稅項負債	Deferred taxation liabilities					1,892
未分配集團負債	Unallocated corporate liabilities					499,446
綜合總負債	Consolidated total liabilities					<u>1,029,518</u>

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
於二零零六年 三月三十一日	At 31st March, 2006					
資產	Assets					
分類資產	Segment assets	601,888	782,468	163,967	29,437	1,577,760
遞延稅項資產	Deferred taxation assets					691
未分配集團資產	Unallocated corporate assets					297,873
綜合總資產	Consolidated total assets					<u>1,876,324</u>
負債	Liabilities					
分類負債	Segment liabilities	161,358	123,325	41,492	22,160	348,335
應付稅款	Taxation payable					18,388
遞延稅項負債	Deferred taxation liabilities					1,794
未分配集團負債	Unallocated corporate liabilities					524,586
綜合總負債	Consolidated total liabilities					<u>893,103</u>

### (b) 地區分類

由於本集團超過90%之營業額及經營成果均來自中國大陸，而本集團大部份資產亦位於中國大陸，故省略綜合營業額、經營成果及資產地區分析。

## 6. Business and Geographical Segments

(continued)

### (a) Business segments (continued)

(iii) An analysis of the Group's balance sheet by business segments is as follows:

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
於二零零七年 三月三十一日	At 31st March, 2007					
資產	Assets					
分類資產	Segment assets	740,881	960,247	177,235	22,051	1,900,414
未分配集團資產	Unallocated corporate assets					362,791
綜合總資產	Consolidated total assets					<u>2,263,205</u>
負債	Liabilities					
分類負債	Segment liabilities	248,360	162,638	48,176	12,843	472,017
應付稅款	Taxation payable					56,163
遞延稅項負債	Deferred taxation liabilities					1,892
未分配集團負債	Unallocated corporate liabilities					499,446
綜合總負債	Consolidated total liabilities					<u>1,029,518</u>

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
於二零零六年 三月三十一日	At 31st March, 2006					
資產	Assets					
分類資產	Segment assets	601,888	782,468	163,967	29,437	1,577,760
遞延稅項資產	Deferred taxation assets					691
未分配集團資產	Unallocated corporate assets					297,873
綜合總資產	Consolidated total assets					<u>1,876,324</u>
負債	Liabilities					
分類負債	Segment liabilities	161,358	123,325	41,492	22,160	348,335
應付稅款	Taxation payable					18,388
遞延稅項負債	Deferred taxation liabilities					1,794
未分配集團負債	Unallocated corporate liabilities					524,586
綜合總負債	Consolidated total liabilities					<u>893,103</u>

### (b) Geographical segments

As over 90% of the Group's turnover and trading results are derived from Mainland China and the assets are substantially located in Mainland China, an analysis of the consolidated turnover, trading results by geographical market and assets by geographical location is not presented.

## 7. 營業額

集團在本年度營業額，分析如下：

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
銷售貨品	Sales of goods	3,905,836	3,317,765
倉儲收入	Storage income	7,999	11,905
		<u>3,913,835</u>	<u>3,329,670</u>

## 7. Turnover

An analysis of the Group's turnover is as follows:

## 8. 經營溢利

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
經營溢利已扣除下列各項：	Profit from operations has been arrived at after charging:		
無形資產攤銷 (計入行政費用內)	Amortisation of intangible asset (included in administrative expenses)	1,000	1,000
核數師酬金	Auditors' remuneration	2,972	2,549
物業、廠房及設備之 折舊及攤銷	Depreciation and amortisation of property, plant and equipment	39,481	38,965
預付租賃攤銷	Release of prepaid lease payments	2,172	2,270
物業、廠房及設備之 減值準備(計入行政 費用內)(附註14)	Impairment loss of property, plant and equipment (included in administrative expenses) (Note 14)	191	1,571
出售物業、廠房及設備 之虧損	Loss on disposal of property, plant and equipment	806	1,542
貯存缸及附屬設施之 營業租約支付款項	Operating lease payments in respect of storage tanks and ancillary facilities	5,143	6,870
物業之營業租約支付款項	Operating lease payments in respect of rented premises	10,443	9,365
員工成本包括董事 酬金(附註9)	Staff costs, including directors' remuneration (Note 9)	282,327	253,233
並經計入下列項目：	and after crediting:		
可供出售投資股息之收益	Dividend income from available-for-sale investment	1,240	-
出售一間附屬公司之溢利	Gain on disposal of a subsidiary	487	-
利息收入	Interest Income	5,375	1,713
貯存缸及附屬設施之 租金收入	Rental income in respect of storage tanks and ancillary facilities	6,395	9,411
回沖永久業權土地之 減值準備(附註14)	Reversal of impairment loss of freehold land (Note 14)	952	-
		<u>952</u>	<u>-</u>

附註：

Note:

計入員工成本之退休金供款如下：

Pension contributions included in staff costs are as follows:

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
本集團對既定供款 計劃之供款	Pension contributions to the Group's defined contribution schemes	4,119	4,022
減：沒收供款	Less: Forfeited contributions	(14)	(256)
		<u>4,105</u>	<u>3,766</u>

## 9. 董事酬金及僱員酬金

已付或應付予 11 名(二零零六年：11 名)董事之酬金如下：

	葉志成 Ip Chi Shing, Tony 千港元 HK\$'000	葉鳳娟 Ip Fung Kuen 千港元 HK\$'000	葉子軒 Yip Tsz Hin, Stephen 千港元 HK\$'000	吳紹平 Ng Siu Ping, George 千港元 HK\$'000	丁漢欽 Ting Hon Yam 千港元 HK\$'000	黃金焰 Wong Kam Yim, Kenny 千港元 HK\$'000	楊民儉 Young Man Kim, Robert 千港元 HK\$'000	唐匯棟 Tong Wui Tung, Ronald 千港元 HK\$'000	黃廣志 Wong Kong Chi 千港元 HK\$'000	歐陽贊邦 Au-Yeung Tsan Pong, Dave 千港元 HK\$'000	李澤民 Li Chak Man, Chuck 千港元 HK\$'000	總額 Total 千港元 HK\$'000
二零零七年 2007												
董事袍金 Fees	400	400	400	400	400	400	400	320	500	200	200	4,020
其他酬金 Other emoluments												
薪金及其它福利 Salaries and other benefits	3,172	1,230	2,386	1,457	1,524	2,064	1,651	-	-	-	-	13,484
退休福利計劃 Retirement benefit scheme contributions	166	106	132	113	114	132	66	-	-	-	-	829
袍金總額 Total emoluments	<u>3,738</u>	<u>1,736</u>	<u>2,918</u>	<u>1,970</u>	<u>2,038</u>	<u>2,596</u>	<u>2,117</u>	<u>320</u>	<u>500</u>	<u>200</u>	<u>200</u>	<u>18,333</u>
二零零六年 2006												
董事袍金 Fees	400	400	400	400	400	400	400	320	500	200	200	4,020
其他酬金 Other emoluments												
薪金及其它福利 Salaries and other benefits	3,153	1,250	2,479	1,525	1,664	1,504	1,731	-	-	-	-	13,306
以股份為基準的付款 Share based payments	-	29	29	29	29	29	29	-	-	-	-	174
退休福利計劃 Retirement benefit scheme contributions	166	106	132	113	114	114	66	-	-	-	-	811
袍金總額 Total emoluments	<u>3,719</u>	<u>1,785</u>	<u>3,040</u>	<u>2,067</u>	<u>2,207</u>	<u>2,047</u>	<u>2,226</u>	<u>320</u>	<u>500</u>	<u>200</u>	<u>200</u>	<u>18,311</u>

附註：

- (a) 董事之薪金及上述其他福利包括經營租賃租金 1,500,000 港元(二零零六年：1,536,000 港元)。
- (b) 於二零零五年十月二十四日，本公司授出合共 1,200,000 份(二零零七年：0 份)購股權予本公司之若干董事。由於有關於二零零五年四月一日前授出之購股權已於二零零五年四月一日前歸屬，因此根據香港財務報告準則第 2 條“以股份支付的款項”之相關過渡條文，對本集團並不造成財務影響。

5 位薪酬最高僱員中 4 位為董事(二零零六年：4 位)，其酬金詳情載於上。其餘 1 位(二零零六年：1)薪酬詳列如下：

	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
基本薪金及其它津貼 Salaries and other benefits	2,273	2,079
退休福利計劃供款 Retirement benefits scheme contribution	53	53
	<u>2,326</u>	<u>2,132</u>

## 9. Directors' Remuneration and Employees' Emoluments

The emoluments paid or payable to each of the 11 (2006:11) directors were as follows:

Notes:

- (a) The directors' salaries and other benefits above included operating leases rentals of HK\$1,500,000 (2006:HK\$1,536,000).
- (b) On 24th October, 2005, the Company granted an aggregate of 1,200,000 (2007: nil) share options to certain directors of the Company. In relation to share options granted before 1st April, 2005, they had vested before 1st April, 2005, and therefore has had no financial impact to the Group in accordance with the relevant transitional provisions of HKFRS 2 "Share-based payment".

Of the five individuals with the highest emoluments in the Group, four (2006: four) were directors of the Company whose emoluments are disclosed above. The emoluments of the remaining (2006:one) individual were as follows:

## 10. 利息費用

## 10. Interest Expense

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
利息：	Interest on:		
– 須於五年內悉數償還 之銀行借貸	– bank borrowings wholly repayable within five years	26,244	21,521
– 融資租賃	– a finance lease	7	17
		<u>26,251</u>	<u>21,538</u>

## 11. 稅項

## 11. Taxation

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
現行稅項 – 香港	Current tax – Hong Kong		
本年度	Current year	4,377	3,532
往年少(多)提撥備	Under(over)provision in previous years	25	(251)
		<u>4,402</u>	<u>3,281</u>
現行稅項 – 中國大陸	Current tax – Mainland China		
本年度	Current year	46,892	17,035
往年(多)少提撥備	(Over)underprovision in previous years	(101)	1,403
		<u>46,791</u>	<u>18,438</u>
		51,193	21,719
遞延稅項	Deferred taxation		
香港	Hong Kong	789	(38)
		<u>51,982</u>	<u>21,681</u>

香港利得稅乃按照本年度估計應課稅溢利按稅率17.5%(二零零六年:17.5%)提撥準備。中國大陸企業所得稅則按有關司法地區之稅率計算。

Hong Kong Profits Tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Enterprise income tax in Mainland China has been provided at the rates prevailing in the respective jurisdictions.

根據中國大陸有關法律及規例，本公司若干中國大陸附屬公司有權於首兩年業務錄得溢利之年度獲豁免中國大陸企業所得稅，而此後此等中國大陸附屬公司將有權於以後三年就中國大陸企業所得稅獲50%寬減。中國大陸企業所得稅已於計入此等稅務優惠後作出撥備。

Pursuant to the relevant laws and regulations in Mainland China, certain of the Company's Mainland China subsidiaries are entitled to exemption from enterprise income tax of Mainland China for the first two years commencing from their first profit-making year of operation and thereafter, these subsidiaries in Mainland China will be entitled to a 50% relief from enterprise income tax of Mainland China for the following three years. Enterprise income tax of Mainland China has been provided for after taking these tax incentives into account.



## 11. 稅項 (續)

於二零零七年三月十六日，第十屆全國人民代表大會第五次全體會議通過中國企業所得稅法(「新稅法」)，將由二零零八年一月一日起生效。然而，有關新稅法之詳細實施規則尚未向公眾人士作出。故此，本公司未能就新稅法對本集團於來年之綜合財務報告之預計財務影響作出估計。頒佈新稅法預期不會就應付即期稅項對綜合資產負債表內應計之金額造成任何財務影響。

會計溢利與是年度之稅項支出對賬如下：

## 11. Taxation (continued)

On 16th March, 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of Mainland China ("new tax law") which will take effect on 1st January, 2008. However, the detailed implementation rules regarding the new tax law have yet to be made public. Consequently, the Company is not able to make an estimate of the expected financial effect of the new tax law on the Group's consolidated financial statements in the coming year. The enactment of the new tax law is not expected to have any financial effect on the amounts accrued in the consolidated balance sheet in respect of current tax payable.

A statement of reconciliation of taxation is as follows:

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
除稅前溢利	Profit before taxation	321,700	218,415
以本地所得稅率27% 計算	Tax charge at the domestic income tax rate of 27%	86,859	58,972
往年度(超額撥備) 撥備不足	(Over)underprovision in prior years	(76)	1,152
不可扣減的開支對 稅務之影響	Tax effect of expenses not deductible for tax purposes	7,555	4,063
無需繳稅的收入 對稅務之影響	Tax effect of income not taxable for tax purposes	(12,651)	(7,189)
未予以確認稅項虧損 對稅務之影響	Tax effect of tax losses not recognised	10,128	11,508
使用之前未確認稅項 虧損對稅務之影響	Tax effect of utilisation of tax losses previously not recognised	(5,176)	(2,987)
位於其他司法地區之 附屬公司不同稅率 之影響	Effect of different tax rates of subsidiaries in other jurisdictions	(8,241)	(13,199)
部份附屬公司之 減免稅率之影響	Effect of income tax on concessionary rates for certain subsidiaries	(27,235)	(32,384)
其他	Others	819	1,745
本年度稅項	Taxation for the year	51,982	21,681

使用本集團大部份業務所在司法地區之當地稅率。

The domestic tax rate is a tax rate in the jurisdiction where the operation of the Group is substantially based.



## 14. 物業、廠房及設備

## 14. Property, Plant and Equipment

		正在興建工程 Construction in progress 千港元 HK\$'000	永久 業權土地 Freehold land 千港元 HK\$'000	樓宇 Buildings 千港元 HK\$'000	傢俬、裝置及 辦公室設備 Furniture, fixtures and office equipment 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	廠房及機器 Plant and machinery 千港元 HK\$'000	合計 Total 千港元 HK\$'000
<b>成本值</b>	<b>AT COST</b>							
於二零零五年四月一日	At 1st April, 2005	85,194	3,248	237,691	67,658	54,983	189,954	638,728
外匯結算差額	Currency realignment	1,375	7	4,717	610	479	3,330	10,518
重新分類	Reclassification	(103,597)	-	32,684	8,948	-	61,965	-
添置	Additions	63,357	-	2,730	5,468	4,409	13,054	89,018
出售	Disposals	-	-	(2,125)	(3,806)	(13,927)	(9,893)	(29,751)
於二零零六年三月三十一日	At 31st March, 2006	46,329	3,255	275,697	78,878	45,944	258,410	708,513
外匯結算差額	Currency realignment	2,213	705	11,186	1,262	989	11,441	27,796
重新分類	Reclassification	(50,763)	-	35,899	1,494	-	13,370	-
添置	Additions	45,120	-	1,411	6,623	8,252	15,740	77,146
收購一間附屬公司	Acquisition of a subsidiary	-	-	4,527	77	130	2,774	7,508
出售一間附屬公司	Disposal of a subsidiary	-	-	-	(406)	(388)	-	(794)
出售	Disposals	-	-	(703)	(5,665)	(6,152)	(9,318)	(21,838)
於二零零七年三月三十一日	At 31st March, 2007	42,899	3,960	328,017	82,263	48,775	292,417	798,331
<b>折舊及攤銷以及 減值準備</b>	<b>DEPRECIATION AND AMORTISATION AND IMPAIRMENT</b>							
於二零零五年四月一日	At 1st April, 2005	-	1,913	64,170	48,140	33,318	87,796	235,337
外匯結算差額	Currency realignment	-	5	1,184	411	348	1,413	3,361
年內撥備	Depreciation provided for the year	-	-	10,399	7,244	5,316	16,006	38,965
年內減值準備	Impairment loss for the year	-	-	-	45	-	1,526	1,571
出售時抵銷	Eliminated on disposals	-	-	(797)	(3,506)	(11,319)	(8,792)	(24,414)
於二零零六年三月三十一日	At 31st March, 2006	-	1,918	74,956	52,334	27,663	97,949	254,820
外匯結算差額	Currency realignment	-	372	2,613	11	388	4,654	8,038
年內撥備	Depreciation provided for the year	-	-	11,360	6,671	5,407	16,043	39,481
年內(回沖)減值準備	(Reversal of impairment loss) impairment loss for the year	-	(952)	-	54	100	37	(761)
出售一間附屬公司時抵銷	Eliminated on disposal of a subsidiary	-	-	-	(390)	(387)	-	(777)
出售時抵銷	Eliminated on disposals	-	-	(493)	(5,279)	(4,774)	(8,292)	(18,838)
於二零零七年三月三十一日	At 31st March, 2007	-	1,338	88,436	53,401	28,397	110,391	281,963
<b>賬面淨值</b>	<b>CARRYING VALUES</b>							
於二零零七年三月三十一日	At 31st March, 2007	42,899	2,622	239,581	28,862	20,378	182,026	516,368
於二零零六年三月三十一日	At 31st March, 2006	46,329	1,337	200,741	26,544	18,281	160,461	453,693

**14. 物業、廠房及設備** (續)

上文所述之物業、廠房及設備項目乃以直線法按以下年率折舊：

永久業權土地	無
樓宇	2.5% 或以租約之尚餘年期, 以較短者計算
傢俬、裝置及辦公室設備	9% 至 45%
汽車	9% 至 25%
廠房及機器	4.5% 至 45%

正在興建工程乃按成本減累計減值虧損入賬，直至其預備使用之前均不作折舊。

年內，本集團就其物業、廠房及設備進行了檢討，並斷定部分該等資產因實際損壞及技術落伍而出現減值。據此，「傢俬、裝置及辦公室設備」、「汽車」及「廠房及機器」已分別確認減值虧損54,000港元，100,000港元及37,000港元。

年內，本集團評估永久業權土地之賬面值，並撥回減值虧損952,000港元，已於綜合收益表內進賬。

**14. Property, Plant and Equipment** (continued)

The above items of property, plant and equipment are depreciated on a straight line basis at the following rates per annum:

Freehold land	Nil
Buildings	Over the shorter of the remaining term of the lease or 2.5%
Furniture, fixtures and office equipment	9% to 45%
Motor vehicles	9% to 25%
Plant and machinery	4.5% to 45%

Construction in progress will not be depreciated until the assets are ready for intended use and accordingly is stated at cost less accumulated impairment loss.

During the year, the Group conducted a review on the property, plant and equipment and determined that a number of those assets were impaired, due to the physical damage and technical obsolescence. Accordingly, impairment losses of HK\$54,000, HK\$100,000 and HK\$37,000 have been recognised in respect of furniture, fixtures and office equipment, motor vehicles, plant and machinery respectively.

During the year, the Group reviewed the carrying value of the freehold land and a reversal of impairment loss of HK\$952,000 was credited to the consolidated income statement.

14. 物業、廠房及設備 (續)

14. Property, Plant and Equipment (continued)

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
集團之物業權益包括：	The Group's property interests comprise:		
香港以外地區持有之永久業權土地	Freehold land held outside Hong Kong	2,622	1,337
位於土地之租賃樓宇：	Leasehold building located on land:		
在香港持有之	Held in Hong Kong under		
– 中期租賃	– medium-term lease	11,962	12,483
在香港以外地區持有之	Held outside Hong Kong under:		
– 長期租賃	– Long lease	545	625
– 中期租賃	– Medium-term lease	219,939	187,633
– 短期租賃	– Short-term lease	7,135	–
		<u>242,203</u>	<u>202,078</u>

15. 預付土地租金

15. Prepaid Lease Payments

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
本集團預付土地租金包括：	The Group's prepaid lease payments comprise:		
香港持有之租賃土地：	Leasehold land in Hong Kong under:		
– 中期租賃	– Medium-term lease	12,499	12,809
香港以外地區持有之	Leasehold land outside Hong Kong under:		
– 長期租賃	– Long lease	1,342	1,366
– 中期租賃	– Medium-term lease	62,857	62,774
– 短期租賃	– Short-term lease	1,242	–
		<u>77,940</u>	<u>76,949</u>
分析作報告用途：	Analysed for reporting purposes as:		
流動資產	Current asset	2,212	2,280
非流動資產	Non-current asset	75,728	74,669
		<u>77,940</u>	<u>76,949</u>

## 16. 商譽

## 16. Goodwill

		合計 Total 千港元 HK\$'000
成本	AT COST	
於二零零五年四月一日及 二零零六年三月三十一日	At 1st April, 2005 and 31st March, 2006	19,231
因收購附屬公司之 權益增加而產生	Arising on acquisition of additional interests in subsidiaries	11,260
於二零零七年三月三十一日	At 31st March, 2007	<u>30,491</u>

於業務合併收購之商譽乃於收購時分配至預期將從該業務合併中受惠之現金產生單位「現金產生單位」。商譽之賬面值已分配如下：

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGU"s) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
銷售及製造溶劑	Sale and manufacture of solvents	18,508	17,343
銷售及製造潤滑油	Sale and manufacture of lubricants	1,888	1,888
銷售及製造塗料	Sale and manufacture of coatings	10,095	-
		<u>30,491</u>	<u>19,231</u>

於截至二零零七年三月三十一日止年度，本集團之管理層認為包含商譽之現金產生單位並無減值。

During the year ended 31st March, 2007, management of the Group determines that there is no impairment of any of its CGUs containing goodwill.

現金產生單位之可收回金額乃按其使用價值而釐定。計算使用價值時採用之主要假設乃根據期內之折現率、增長率及預期銷售價及直接成本之變動而釐訂。管理層以可反映現時市場評估資金之時間價值及該現金產生單位所面對風險之稅前率估算折現率。增長率乃基於對業界之增長預測而定出。銷售價及直接成本之變動則根據過往慣例及預期日後市場之變化而釐定。

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

於本年度，本集團按照獲管理層批准之各自最近期財務預算得出之未來五年現金流，並使用相同貼現率6.5%，反映市場現時對貨幣時值的評估及現金產生單位特定風險之評估。鑒於本集團行業之增長預測，每年增幅介乎10%至16%不等。確定商譽並無需要減值。

During the year, the Group performed impairment review for goodwill based on cash flow forecasts derived from the respective most recent financial budgets for the next five years approved by management using a discount rate of 6.5% which reflects current market assessments of the time value of money and the risks specific to the CGUs. The growth rates per annum range from 10% to 16% in light of the Group's industry growth forecasts. No impairment loss was considered necessary.

## 17. 無形資產

## 17. Intangible Asset

		技術知識 Technical knowhow 千港元 HK\$'000
成本	AT COST	
於二零零五年四月一日、二零零六年三月三十一日及二零零七年三月三十一日	At 1st April, 2005, 31st March, 2006 and 31st March, 2007	5,000
攤銷	AMORTISATION	
於二零零五年四月一日	At 1st April, 2005	2,000
年內撥備	Provided for the year	1,000
於二零零六年三月三十一日	At 31st March, 2006	3,000
年內撥備	Provided for the year	1,000
於二零零七年三月三十一日	At 31st March, 2007	4,000
賬面淨值	CARRYING VALUE	
於二零零七年三月三十一日	At 31st March, 2007	1,000
於二零零六年三月三十一日	At 31st March, 2006	2,000

本集團之無形資產為向獨立第三者購買用作生產絕緣漆產品之技術知識之成本。無形資產乃採用直線法於預計可使用年期五年攤銷。

The intangible asset of the Group represents the cost of the technical knowhow acquired from an independent third party to manufacture certain insulating varnish products. The cost of the intangible asset is amortised on a straight line basis over its estimated useful life of five years.

## 18. 可供出售投資

## 18. Available-for-sale Investment

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
非上市股本證券， 按成本減減值準備	Unlisted shares in Mainland China, at cost less impairment loss	17,653	16,841

由於估計該等投資合理公允價值時所需考慮之假設因素範圍甚廣，加上上述投資主要為非上市股份，本公司之董事認為未能可靠地衡量其公允價值，故此按成本減除於各結算日之減值計算。

The above investment represents investment in unlisted equity shares and is measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

## 19. 其他非流動資產

## 19 Other Non-current Assets

此金額乃指本集團持有會所債券之成本及於各結算日(如有)按成本減累計減值虧損計算。

The amount represents the cost of club debentures held by the Group and is measured at cost less accumulated impairment losses, if any, at each balance sheet date.

**20. 存貨**

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
原料	Raw materials	245,261	184,837
在製品	Work in progress	30,284	23,276
製成品	Finished goods	142,222	133,629
		<u>417,767</u>	<u>341,742</u>

**20. Inventories****21. 應收賬款**

於結算日應收賬款之賬齡分析如下：

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
零至三個月	0 - 3 months	587,061	494,158
四至六個月	4 - 6 months	135,082	93,653
六個月以上	Over 6 months	29,145	23,038
		<u>751,288</u>	<u>610,849</u>

**21. Trade Debtors**

An aged analysis of trade debtors at the balance sheet date is as follows:

本集團向其餘銷客戶提供由30天至90天之信貸期。

The Group allows a credit period ranging from 30 to 90 days to its trade customers.

**22. 其他應收賬款**

本集團之董事認為其他應收款項之公允值與帳面值相若。

**22 Other Debtors**

The directors consider that the carrying amounts of other debtors approximate to their fair values.



## 23. 衍生金融工具

## 23 Derivative Financial Instruments

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
遠期外匯合約	Forward foreign exchange contracts	4	2

於二零零七年三月三十一日，本集團已承擔之尚未交收遠期外匯合約之名義總額為51,000歐元(2006：47,000歐元)。

非對沖貨幣衍生工具之公允價值變動為2,000港元(2006：2,000港元)，並已於年內之綜合收益表中計入。

本集團目前並無就對沖其海外業務之換算而指定其外任何幣計值債務為對沖工具。

上述衍生工具於各結算日按公允值計算，其公允值按於結算日銀行同類工具所報市價而釐定。

At 31st March, 2007, the total notional amount of outstanding forward foreign exchange contracts committed by the Group amounted to Euro\$51,000 (2006: Euro\$47,000).

Change in the fair value of non-hedging currency derivatives amounting to HK\$2,000 (2006: HK\$2,000) has been credited to the consolidated income statement during the year.

The Group does not currently designate any hedging relationship on the forward foreign exchange contracts for the purpose of hedging accounting.

The above derivatives are measured at fair value at each balance sheet date. Their fair values are determined based on the prices quoted by the bank for the equivalent instruments from bank at the balance sheet date.

## 24. 銀行結餘及現金

## 24. Bank Balances and Cash

現金及銀行結存包括下列並非以有關實體營業所在地之功能貨幣為單位之款項。

Included in bank balances and cash are the following amounts denominated in a currencies other than the functional currencies.

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
美元	United States dollar	102,461	34,940
港元	Hong Kong dollar	4,281	7,313
人民幣	RMB	1,022	818
		<u>107,764</u>	<u>43,071</u>

所有銀行存款按年利率由0.7%至5.2%(2006：由0.7%至2.5%)計息及賬面值與其公平值相若。

All bank deposits carry interest ranging from 0.7% to 5.2% per annum (2006: 0.7% to 2.5%) and the carrying amounts approximate to their fair values.

## 25. 應付賬款及應計費用

於結算日，應付賬款及應計費用結餘包括應付貨款309,674,000港元(二零零六年：221,912,000港元)，於結算日應付貨款之賬齡分析如下：

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
零至三個月	0 - 3 months	305,584	217,544
四至六個月	4 - 6 months	3,579	3,229
六個月以上	Over 6 months	511	1,139
		<u>309,674</u>	<u>221,912</u>

## 25. Creditors and Accrued Charges

At the balance sheet date, the balance of creditors and accrued charges included trade creditors of HK\$309,674,000 (2006: HK\$221,912,000). An aged analysis of trade creditors at the balance sheet date is as follows:

## 26. 融資租賃

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
融資租賃的 應付款項：	Amounts payable under a finance lease:		
一年內	Within one year	-	40
減：未來利息費用	Less: Future finance charges	-	(7)
應付融資租賃貼現 率總額須於一年 內清還(歸納為 流動負債之金額)	Present value of lease obligations due for settlement within one year (shown under current liabilities)	-	33
		<u>-</u>	<u>33</u>

於二零零六年三月三十一日之結餘為以分期付款購買一輛汽車之尚欠本金。租賃為期5年，年息為4.5厘，定額償還，並無訂立或然租金安排。

## 26. Obligations under a Finance Lease

	最低租金付款 Minimum lease payments	最低租金付款現值 Present value of minimum lease payments
	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
應付最低租金付款	-	33
減：未來利息費用	-	(7)
應付融資租賃貼現 率總額須於一年 內清還(歸納為 流動負債之金額)	-	33
	<u>-</u>	<u>33</u>

The balance as at 31st March, 2006 represented the outstanding principal regarding the hire purchase of a motor vehicle with a lease term of 5 years. The lease was on 4.5% interest rate per annum, on a fixed repayment basis and there were no arrangement entered into for contingent rental payments.

## 27. 銀行借貸

## 27 Bank Borrowings

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
銀行貸款	Bank loans	470,884	513,275
貼現票據	Discounted bills	13,260	–
		<u>484,144</u>	<u>513,275</u>
無抵押銀行借貸需於 以下年期清還：	The borrowings are unsecured and repayable as follows:		
應要求下或一年內	On demand or within one year	428,508	347,390
一年後至兩年內	More than one year but not exceeding two years	55,636	110,249
兩年後至三年內	More than two years but not more than three years	–	55,636
		<u>484,144</u>	<u>513,275</u>
減：須於一年內清還並 歸納為流動負債之金額	Less: Amounts due within one year shown under current liabilities	(428,508)	(347,390)
		<u>55,636</u>	<u>165,885</u>
		二零零七年 2007	二零零六年 2006
平均已付利率如下：	The average interest rates paid were as follows:		
銀行貸款	Bank loans	<u>4.90%</u>	<u>4.12%</u>

另外，本集團的銀行貸款為浮動利率貸款，利率由香港銀行同業拆息加0.4%到香港銀行同業拆息加0.725%利率一般於每3個月重定一次。

所有本集團之借貸以相關公司之功能貨幣支付。

本集團之董事認為以上貸款之公允值與帳面值相若。

The Group's bank loans are variable-rate borrowings which carry annual interests at the range of Hong Kong Interbank Offered Rate ("HIBOR") plus 0.4% to HIBOR plus 0.725%. Interest is repriced every 3 months.

All the Group's borrowings are denominated in functional currencies of the relevant entity.

The directors consider that the carrying amounts of the above borrowings approximate to their fair values.

## 28. 遞延稅項

以下為本集團已確認之主要遞延稅項負債與資產及於本年及上年內之有關變動：

		加速稅項折舊 Accelerated tax depreciation 千港元 HK\$'000	未用稅損 Tax losses 千港元 HK\$'000	其他 Others 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零五年四月一日	At 1st April, 2005	1,905	(635)	(129)	1,141
於綜合收益表(計入) 扣除	(Credit) charge to consolidated income statement for the year	(54)	16	-	(38)
於二零零六年 三月三十一日	At 31st March, 2006	1,851	(619)	(129)	1,103
年內於綜合收益表 扣除	Charge to consolidated income statement for the year	52	608	129	789
於二零零七年 三月三十一日	At 31st March, 2007	<u>1,903</u>	<u>(11)</u>	<u>-</u>	<u>1,892</u>

就呈列資產負債表而言，若干遞延稅項資產及負債已經對沖。用作財務報告用途之遞延稅項結餘分析如下：

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
遞延稅項資產	Deferred taxation assets	-	(691)
遞延稅項負債	Deferred taxation liabilities	1,892	1,794
		<u>1,892</u>	<u>1,103</u>

於二零零七年三月三十一日，本集團有未確認稅務虧損約236,902,000港元(二零零六年：234,001,000港元)可供抵銷未來溢利。截至二零零七年三月三十一日，已確認稅務虧損62,000港元(二零零六年：3,537,000港元)為遞延稅項資產。管理層相信，參考財務預算，就稅項虧損於未來具備充足溢利以供變現遞延稅項資產。由於未能預期未來的溢利流量，故未有確認餘下236,840,000港元(二零零六年：230,464,000港元)遞延稅項資產，其中215,216,000港元(二零零六年：206,169,000港元)稅務虧損可無限期結轉，餘額將於二零一一年或之前到期。

## 28. Deferred Taxation

The followings are the major deferred taxation liabilities and assets recognised by the Group and movements thereon during the current and prior years:

For the purpose of balance sheet presentation, certain deferred taxation assets and liabilities have been offset. The following is the analysis of the deferred taxation balances for financial reporting purposes:

At 31st March, 2007, the Group had unused tax losses of approximately HK\$236,902,000 (2006: HK\$234,001,000) available to offset against future profits. A deferred taxation asset has been recognised in respect of HK\$62,000 (2006: HK\$3,537,000) of such losses as at 31st March, 2007. Management believes that there will be sufficient future profits available in the future for realisation of deferred taxation assets in respect of such tax losses by reference to financial budgets. No deferred taxation asset has been recognised in respect of the remaining HK\$236,840,000 (2006: HK\$230,464,000) due to the unpredictability of future profit streams. Included in the unrecognised tax losses, HK\$215,216,000 (2006: HK\$206,169,000) may be carried forward indefinitely and the balance will expire at various dates up to and including 2011.

## 29. 股本

## 29. Share Capital

	法定 Authorised 二零零七年及 二零零六年 2007 & 2006 千港元 HK'000	已發行及繳足 Issued and fully paid	
		二零零七年 2007 千港元 HK'000	二零零六年 2006 千港元 HK'000
每股面值0.10港元之股份 Shares of HK\$0.10 each	80,000	48,164	47,656

年內本公司之已發行股本有以下變動：

Movements in the issued share capital of the Company during the year are as follows:

		股份數目 Number of shares 千股 '000	金額 Amount 千港元 HK\$'000
於二零零五年四月一日	At 1st April, 2005	472,930	47,293
行使購股權(附註 a)	Exercise of share options (note a)	3,627	363
於二零零六年三月三十一日 及二零零六年四月一日	At 31st March, 2006 and 1st April, 2006	476,557	47,656
行使購股權(附註 b)	Exercise of share options (note b)	5,085	508
於二零零七年三月三十一日	At 31st March, 2007	481,642	48,164

附註：

Notes:

(a) 於截至二零零六年三月三十一日止年度內，共有3,627,000股之購股權股份獲行使，本公司因此而分別發行800,000股、2,075,000股及752,000股每股面值0.10港元之股份，每股作價分別為1.190港元、1.590港元及2.004港元。

(a) During the year ended 31st March, 2006, 3,627,000 share options were exercised, resulting in the issue of 800,000 shares, 2,075,000 shares and 752,000 shares of HK\$0.10 each in the Company at a price of HK\$1.190, HK\$1.590 and HK\$2.004 per share respectively.

(b) 於截至二零零七年三月三十一日止年度內，共有5,085,000股之購股權股份獲行使，本公司因此而分別發行300,000股、1,075,000股及3,710,000股每股面值0.10港元之股份，每股作價分別為1.190港元、1.590港元及2.004港元。

(b) During the year ended 31st March, 2007, 5,085,000 share options were exercised, resulting in the issue of 300,000 shares, 1,075,000 shares and 3,710,000 shares of HK\$0.10 each in the Company at a price of HK\$1.190, HK\$1.590 and HK\$2.004 per share respectively.

所有已發行股份均在所有方面與當時之現有股份享有同等權益。

All shares issued rank pari passu with the then existing shares in issue in all respects.

### 30. 購股權計劃

於二零零二年九月三日，本公司採納將於二零一二年九月二日到期之現行購股權計劃（「現行計劃」），以便遵從香港聯合交易所有限公司證券上市規則修訂之第十七章之條款。現行計劃之目的為確定及激勵參與人士作出貢獻，並提供鼓勵及直接經濟利益，以達到本公司之長期業務目標。根據新計劃，董事可授出購股權予合資格之本集團僱員，包括本公司或其附屬公司之董事，本集團之法律、金融、管理及技術顧問及諮詢人、主要客戶及原料及機械供應商，以認購本公司之股份。授出之購股權可自授出日期起十年內行使，而接納日期不應遲於要約日期後之二十八日後。接納獲授之購股權時應支付一港元之象徵式代價。購股權股份之最少認購價須為以下三者較高者 (i) 股份於授出日期之收市價；(ii) 股份於緊接授出日期前五個交易日之平均收市價；及 (iii) 股份之面值。根據現行計劃可授出之購股權有關之股份數目上限，不得超過於批准現行購股權計劃當日本公司之已發行股本 10% 之面值金額。然而，因行使所有已授出之購股權而發行之股份數目上限總額不得超過不時已發行股本之 30%。在未獲得本公司之股東批准前，在任何一年內，授予任何人士之購股權股份數目，不得超過本公司不時已發行股份之 1%。

於二零零五年十月二十四日，本公司根據現行計劃內條款授出總數為 8,626,000（二零零七年：零）股購股權予 115 位全職僱員（包括執行董事），每股行使價為 2.004 港元。

### 30. Share Option Scheme

On 3rd September, 2002, the Company adopted a share option scheme (the "Existing Scheme") which will expire on 2nd September, 2012 in order to comply with the terms of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The purpose of the Existing Scheme is to recognise and motivate the participants and to provide incentives and a direct economic interest in attaining the long term business objectives of the Company. Under the Existing Scheme, the directors may grant options to any eligible employees of the Group, including directors of the Company or its subsidiaries, legal, financial, management and technical advisers and consultants, major customers and raw material and machinery suppliers of the Group, to subscribe for shares in the Company. Options granted are exercisable within ten years from the date of grant, where the acceptance date should not be later than 28 days after the date of offer. A nominal consideration of HK\$1 is payable on acceptance of the grant of options. The subscription price of the option share is not less than the higher of (i) the closing price of the shares on the date of grant; (ii) the average closing prices of the shares on the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares. The maximum number of shares in respect of which options may be granted under the Existing Scheme may not exceed in nominal amount of 10% of the issued share capital of the Company at the date of approval of the Existing Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding shares options must not exceed 30% of the issued share capital from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of, the shares of the Company in issue from time to time, without prior approval from the Company's shareholders.

On 24th October, 2005, a total of 8,626,000 (2007: nil) share options were granted to 115 full time employees, including the executive directors, at an exercise price of HK\$2.004 under the terms of the Existing Scheme.

## 30. 購股權計劃(續)

截至二零零七年三月三十一日止兩個年度，本公司之購股權計劃中尚未行使之購股權及其相關之加權平均行使價變動概列如下：

## 30. Share Option Scheme (continued)

A summary of the movements of the outstanding options and their related weighted average exercise prices during each of the two years ended 31st March, 2007 under the Company's share option schemes are as follows :

				購股權數目 Number of share options			
		授出日期 Date of grant	行使價 Exercise price 港元 HK\$	於二零零六年 四月一日 尚未行使 Outstanding at 1.4.2006	年內已行使 during the year	於二零零七年 三月三十一日 尚未行使 Outstanding at 31.3.2007	
現行計劃	Existing Scheme	二零零二年十一月十四日 14th November, 2002	1.190	1,900,000	300,000	1,600,000	
		二零零四年五月十七日 17th May, 2004	1.590	2,950,000	1,075,000	1,875,000	
		二零零四年十月八日 8th October, 2004	1.690	3,000,000	-	3,000,000	
		二零零五年十月二十四日 24th October, 2005	2.004	7,874,000	3,710,000	4,164,000	
				<u>15,724,000</u>	<u>5,085,000</u>	<u>10,639,000</u>	
			加權平均 每股行使價 Weighted average exercise price per share 港元 HK\$	<u>1.768</u>	<u>1.868</u>	<u>1.720</u>	
				購股權數目 Number of share options			
		授出日期 Date of grant	行使價 Exercise price 港元 HK\$	於二零零五年 四月一日 尚未行使 Outstanding at 1.4.2005	年內已 授出 Granted during the year	年內已 行使 Exercised during the year	於二零零六年 三月三十一日 尚未行使 Outstanding at 31.3.2006
現行計劃	Existing Scheme	二零零二年十一月十四日 14th November, 2002	1.190	2,700,000	-	800,000	1,900,000
		二零零四年五月十七日 17th May, 2004	1.590	5,025,000	-	2,075,000	2,950,000
		二零零四年十月八日 8th October, 2004	1.690	3,000,000	-	-	3,000,000
		二零零五年十月二十四日 24th October, 2005	2.004	-	8,626,000	752,000	7,874,000
				<u>10,725,000</u>	<u>8,626,000</u>	<u>3,627,000</u>	<u>15,724,000</u>
			加權平均 每股行使價 Weighted average exercise price per share 港元 HK\$	<u>1.517</u>	<u>2.004</u>	<u>1.588</u>	<u>1.768</u>

### 30. 購股權計劃(續)

有關包括於以上資料表內董事持有購股權之詳情如下：

### 30. Share Option Scheme (continued)

Details of the options held by the directors included in the above table are as follows:

				購股權數目 Number of share options		
		授出日期 Date of grant	行使價 Exercise price 港元 HK\$	於二零零六年 四月一日 尚未行使 Outstanding at 1.4.2006	年內已行使 Exercised during the year	於二零零七年 三月三十一日 尚未行使 Outstanding at 31.3.2007
現行計劃	Existing Scheme	二零零二年十一月十四日 14th November, 2002	1.190	1,500,000	-	1,500,000
		二零零四年五月十七日 17th May, 2004	1.590	750,000	150,000	600,000
		二零零五年十月二十四日 24th October, 2005	2.004	800,000	200,000	600,000
				<u>3,050,000</u>	<u>350,000</u>	<u>2,700,000</u>

				購股權數目 Number of share options			
		授出日期 Date of grant	行使價 Exercise price 港元 HK\$	於二零零五年 四月一日 尚未行使 Outstanding at 1.4.2005	年內已 授出 Granted during the year	年內已 行使 Exercised during the year	於二零零六年 三月三十一日 尚未行使 Outstanding at 31.3.2006
現行計劃	Existing Scheme	二零零二年十一月十四日 14th November, 2002	1.190	1,500,000	-	-	1,500,000
		二零零四年五月十七日 17th May, 2004	1.590	1,200,000	-	450,000	750,000
		二零零五年十月二十四日 24th October, 2005	2.004	-	1,200,000	400,000	800,000
				<u>2,700,000</u>	<u>1,200,000</u>	<u>850,000</u>	<u>3,050,000</u>



### 30. 購股權計劃 (續)

年內於行使購股權日期的加權平均股價為 3.065 港元 (二零零六年: 2.198 港元)。於結算日尚未行使購股權之平均剩餘合約年期為 7.58 年 (二零零六年: 8.74 年)。

於二零零五年十月二十四日授出購股權，該日授出之購股權之估計公允值為每股 0.1458 港元。

該等公平值乃根據「柏力克－舒爾斯」定價模式計算。該定價模式之輸入數值列明如下：

加權平均股價	Weighted average share price	HK\$1.990
行使價	Exercise price	HK\$2.004
預計波幅	Expected volatility	25%
預計期限	Expected life	2 years
無風險利率	Risk free rate	3.75%
預計股息率	Expected dividend yield	6.73%

由於柏力克－舒爾斯期權定價模式需要投入高度主觀之假設，包括股價之波動，因此主觀投入假設之變動可重大影響公平值之估計。

預計波幅乃依據本公司股價於過往三年內之歷史波幅測算。於該模式使用之預計年期已就非轉讓性、行使限制及行為考慮因素的影響，根據管理層之最佳估計作出調整。

於二零零五年十月，授出總數為 8,626,000 股購股權予合資格之本集團僱員 (包括本公司及其附屬公司之董事)，每股行使價為 2.004 港元。並向接受授出購股權之僱員收取之總代價為 115 港元。

於二零零六年三月三十一日，集團確認有關支付購股權交易之總費用為 1,258,000 港元。

### 30. Share Option Scheme (continued)

The weighted average share price at the dates of exercise of share option during the year was HK\$3.065 (2006: HK\$2.198). The option outstanding at the end of the year have a weighted average remaining contract life of 7.58 years (2006: 8.74 years).

The estimated fair value of the options granted on 24th October, 2005 date was HK\$0.1458 per share.

This fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, change in subjective input assumptions can materially affect the fair value estimate.

Expected volatility was determined by using historical volatility of the Company's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behaviour al considerations.

In October 2005, a total of 8,626,000 options were granted to eligible employees of the Group (including directors of the Company and its subsidiaries) at an exercise price of HK\$2.004. Total consideration received from employees for taking up the options granted amounted to HK\$115.

The Group recognised total expenses of HK\$1,258,000 related to share option payment transactions during the year ended 31st March, 2006.

### 31. 資本性承擔

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
就添置物業、廠房及設備 已訂約但綜合財務報告中 未予撥備	Contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment	11,796	25,903

### 31. Capital Commitments

### 32. 營業租約承擔

本集團作為承租人

於結算日，本集團就於下列年期屆滿之租賃物業、貯存缸及附屬設施之不可撤銷營業租約而須承擔繳付未來最低租賃款項：

### 32. Operating Lease Commitments

The Group as lessee

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of rented properties and storage tanks and ancillary facilities which fall due as follows:

		租賃物業 Rented properties		貯存缸及附屬設施 Storage tanks and ancillary facilities	
		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
一年內	Within one year	4,335	3,489	–	6,736
第二至第五年 (首尾兩年 包括在內)	In the second to fifth year inclusive	14,468	11,936	–	6,174
五年後	After five years	13,216	13,843	–	–
		<u>32,019</u>	<u>29,268</u>	<u>–</u>	<u>12,910</u>

根據與本集團訂立之租約，租賃期由一年至十年。除租賃貯存缸及附屬設施之租金會因每月用量超出既定標準而增加外，其他租金乃根據協議定額支付。

Under the leases entered into by the Group, the lease terms are from one year to ten years. The lease payments are fixed except for the rental of storage tanks and ancillary facilities of which additional storage charges would be incurred if the monthly usage exceeded a certain level.

**32. 營業租約承擔 (續)**

本集團作為出租人

於結算日，本集團與租客已簽訂以下有關貯存缸及附屬設施之未來最低租賃款項：

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
一年內	Within one year	271	1,749
第二至第五年 (首尾兩年包括在內)	In the second to fifth year inclusive	—	996
		<u>271</u>	<u>2,745</u>

貯存缸及附屬設施已保證有客戶及牌照之租賃期為兩年。

**32. Operating Lease Commitments (continued)**

The Group as lessor

At the balance sheet date, the Group had contracted with tenants to receive the following future minimum sub-leasing payments in respect of storage tanks and ancillary facilities:

These storage tanks and ancillary facilities have committed tenants and licences for a lease term of two years.

**33. 關聯人士交易**

年內，本集團分別支付 720,000 港元 (二零零六年: 720,000 港元)、600,000 港元 (二零零六年: 600,000 港元) 及 180,000 港元 (二零零六年: 216,000 港元) 之租金予港德投資有限公司、嘉捷投資有限公司及香港微型科技有限公司，本公司之董事葉志成先生、葉子軒先生及吳紹平先生分別於該三間公司持有受益權。租金乃按照有關租約支付。

主要管理人員為本公司之董事。彼等薪酬之詳情載於附註 9。

**33. Related Party Transactions**

During the year, the Group paid rent of HK\$720,000 (2006: HK\$720,000), HK\$600,000 (2006: HK\$600,000) and HK\$180,000 (2006: HK\$216,000) to Goldex Investments Limited, Galsheer Investments Limited and Microphase Technology Company Limited respectively in which Mr. Ip Chi Shing, Tony, Mr. Yip Tsz Hin, Stephen and Mr. Ng Siu Ping, George, the directors of the Company, have beneficial interests respectively. The rents were paid in accordance with the relevant rental agreements.

The key management personnel are the directors of the Company. The details of the remuneration paid to them are set out in note 9.

### 34. 退休福利計劃

本集團參與根據職業退休計劃條例登記之定額供款計劃(「職業退休計劃」)及根據強積金條例於二零零零年十二月成立之強積金計劃(「強積金計劃」)。該等計劃之資產與本集團之資產分開持有，由受保人管理之信託基金所持有。在強積金計劃成立之前，原為職業退休計劃成員之僱員可選擇繼續參與職業退休計劃或轉至強積金計劃，所有於二零零零年十二月一日或以後新入職之僱員需參與強積金計劃。

本公司於中國成立之附屬公司僱員乃由中國政府運作之國家監管退休福利計劃之成員。附屬公司之供款為僱員薪金之若干百分比，作為該退休福利計劃之資金。本集團之唯一責任為向該退休福利計劃提供特定的供款。

綜合收益表內確認之4,105,000港元(二零零六年:3,766,000 港元)代表本集團按計劃規則訂明之比率應向該等計劃作出之供款。於二零零七年三月三十一日，就本報告期間應付之供款387,000港元(二零零六年:382,000 港元)仍未付予該等計劃。該等款項已於結算日後支付。

### 34. Retirement Benefit Plan

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1st December, 2000 are required to join the MPF Scheme.

The employees of the Group's subsidiary in Mainland China are members of a state-managed retirement benefit plan operated by the government of Mainland China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the consolidated income statement of HK\$4,105,000 (2006: HK\$3,766,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31st March, 2007, contributions of HK\$387,000 (2006: HK\$382,000) due in respect of the reporting period had not been paid over to the plans. The amounts were paid over subsequent to the balance sheet date.

### 35. 收購附屬公司

於二零零七年一月十二日，本集團向皇家荷蘭蠟殼集團（「蠟殼」）之附屬公司收購湛江凌志潤滑油有限公司（「湛江凌志」）之40%股權，湛江凌志為一間於中國內地成立之有限責任中外合資合作合營企業。緊接這項收購前，本集團、蠟殼及湛江港集團有限公司（「湛江港」）擁有湛江凌志之40%、40%及20%。湛江凌志主要於中國內地從事製造及買賣潤滑劑，並由兩個單位組成，其中一個由本集團獨立經營（「凌志單位」）、另一個由蠟殼獨立經營（「蠟殼單位」）。

於收購完成後，本公司及湛江港分別合法擁有湛江凌志之80%及20%。由於湛江港之唯一出資為湛江凌志所在之一塊土地（亦是其於湛江凌志解散時唯一有權獲得之分派），及僅有權獲得固定息率股息每年約1,190,000港元（視為湛江凌志所在地之土地租金），湛江凌志視為本公司之全資附屬公司，而湛江港注入之土地並不包括於從蠟殼收購之資產。

於此項收購前，由於本集團根據合營協議有權獲得其於湛江凌志之應佔權益直接產生之收入、開支、資產及負債，故此，本集團於湛江凌志應佔權益收錄於本公司之綜合財務報告內。購買蠟殼單位之代價為31,687,000人民幣（相等於約31,877,000港元）。此項收購已使用購買法入賬。

### 35. Acquisition of a Subsidiary

On 12th January, 2007, the Group acquired a 40% equity interest of Zhanjiang Best Lubricant Blending Limited ("ZBLB"), a sino-foreign co-operative joint venture company with limited liability established in Mainland China, from subsidiaries of Royal Dutch Shell plc ("Shell"). Immediately prior to this acquisition, ZBLB was owned as 40% by the Group, 40% by Shell and 20% by Zhanjiang Port Group Company Limited ("Zhanjiang Port"). ZBLB is primarily engaged in the manufacture of and trading in lubricants in Mainland China and comprised two operating units, one operated independently by the Group ("Best Unit") and one independently by Shell ("Shell's Unit").

Upon the completion of the acquisition, ZBLB is owned legally as to 80% by the Company and 20% by Zhanjiang Port. Since the only contribution by Zhanjiang Port is a piece of land where ZBLB is located (which is also the only distribution it entitles upon dissolution of ZBLB) and it is only entitled to receive a fixed rate of dividend of approximately HK\$1.19 million (deemed lease payment for the piece of land where ZBLB locates) per annum, ZBLB is deemed to be a wholly-owned subsidiary of the Company and the land injected by Zhanjiang Port is excluded from business acquired from Shell.

Prior to this acquisition, since the Group was entitled to all the income, expenses, assets and liabilities directly arising from the Best Unit pursuant to the joint venture agreement, the Best Unit was consolidated into the consolidated financial statements of the Company accordingly. The purchase consideration for Shell's Unit was RMB31,687,000 (equivalent to approximately HK\$31,877,000). This acquisition has been accounted for using purchase method.

## 35. 收購一間附屬公司(續)

## 35. Acquisition of a Subsidiary (continued)

		於合併前 被收購方之 賬面金額 Acquiree's carrying amount before combination 千港元 HK\$'000	公允值 調整 Fair value adjustment 千港元 HK\$'000	公允值 Fair value 千港元 HK\$'000
收購之淨資產：	Net assets acquired:			
物業、廠房及設備	Property, plant and equipment	5,875	1,633	7,508
應收賬款	Trade debtors	9,865	–	9,865
其他應收賬款及預付款項	Other debtors and prepayments	6,595	–	6,595
銀行結餘及現金	Bank balances and cash	41,693	–	41,693
應付賬款及應計費用	Creditors and accrued charges	(33,784)	–	(33,784)
代價合計	Total consideration	<u>30,244</u>	<u>1,633</u>	<u>31,877</u>
支付方式：	Satisfied by:			
現金	Cash			<u>31,877</u>
收購附屬公司之現金流入淨額	Net cash inflow arising on acquisition			
現金代價	Cash consideration			(31,877)
收購之銀行結存及現金	Cash and cash equivalents acquired			<u>41,693</u>
				<u>9,816</u>

此項新收購之附屬公司對收購日期起之結算日止期間之溢利作出474,000港元之貢獻。

倘上述收購已於二零零六年四月一日完成，二零零七年本集團之總營業額應為3,918,289,000港元，而截至二零零七年三月三十一日止年度之溢利應為271,139,000港元。備考資料僅供說明之用，並不一定顯示本集團倘於二零零六年四月一日完成收購應實際獲得之營業額及經營業績，亦無計劃用作未來業績之預測。

This newly acquired interests in the Shell Unit contributed a profit of HK\$474,000 for the period from date of acquisition to the balance sheet date.

If the above acquisition had been completed on 1st April, 2006, total group turnover for 2007 would have been HK\$3,918,289,000 and profit for the year ended 31st March 2007 would have been HK\$271,139,000. The proforma information is for illustrative purpose only and is not necessarily an indication of turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st April, 2006, nor it intended to be a projection of future results.

### 36. 出售一間附屬公司

於二零零七年一月四日，本集團出售全資附屬公司協和化工倉儲有限公司（「協和化工」）於出售當日此公司之淨資產如下：

### 36. Disposal of a Subsidiary

On 4th January, 2007, the Group disposed of a wholly-owned subsidiary, Concord Chemical Storing Limited (“CCS”). The net assets of this company at the date of disposal were as follows:

		二零零七年 2007 千港元 HK\$'000
出售之淨資產：	Net assets disposed of:	
物業、廠房及設備	Property, plant and equipment	17
應收賬款	Trade debtors	477
其他應收賬款及預付款項	Other debtors and prepayments	1,171
銀行結餘及現金	Bank balances and cash	34
其他應付賬款及應計費用	Other creditors and accrued charges	(1,022)
		<u>677</u>
出售溢利	Gain on disposal	487
代價合計	Total consideration	<u><u>1,164</u></u>
支付方式：	Satisfied by:	
現金	Cash	<u><u>1,164</u></u>
出售附屬公司之 現金流入淨額：	Net cash inflow arising on disposal:	
現金代價	Cash consideration	1,164
出售之銀行結存及現金	Bank balance and cash disposed of	(34)
		<u><u>1,130</u></u>

於本年內出售CCS貢獻本集團之營業額為13,126,000港元及本集團之除稅前溢利956,000港元。

During the year, CCS contributed HK\$13,126,000 to the Group's turnover and HK\$956,000 to the Group's profit before taxation for the year.

### 37. 結算日後事項

於二零零七年六月二十七日，江門謙信化工發展有限公司及葉氏工業控股有限公司（分別於中國及香港成立之公司，兩家公司均為本公司擁有75%權益之間接附屬公司）（「買方」）與恆盛化工貿易有限公司（「恆盛」）及恆豐實業集團有限公司（「恆豐」）（分別於香港及中國成立之公司）（「賣方」）與盛達化工有限公司（「目標公司」）（一家於中國成立之中外股份合資企業，目前由恆豐擁有60%權益及由恆盛擁有40%權益）訂立股份轉讓協議。跟據該股份轉讓協議，買方同意以約71,626,000人民幣（相當於約73,775,000港元）（可予調整）之代價向賣方購買目標公司之全部股本權益。於完成後，目標公司將成為本公司擁有75%權益之間接附屬公司。

買賣協議之詳情已刊載於日期為二零零七年六月二十七日之本公司公告內。

### 37. Post Balance Sheet Event

On 27th June, 2007, Jiangmen Handsome Chemical Development Ltd. and Yip's Industrial Holdings Limited (companies incorporated in Mainland China and Hong Kong respectively with limited liability, both of which are indirect 75% owned subsidiaries of the Company) (the "Purchasers") entered into a share transfer agreement (the "Share Transfer Agreement") with Hang Sing Chemical Trading Company Limited ("Hang Sing") and Heng Feng Industrial Group Limited ("Heng Feng") (companies incorporated in Hong Kong and Mainland China respectively with limited liability) (the "Vendors") and 盛達化工有限公司 (the "Target Company"), a sino-foreign equity joint venture company established in Mainland China, currently owned as to 60% by Heng Feng and 40% by Hang Sing. Under the Share Transfer Agreement, the Purchasers agreed to purchase from the Vendors the entire equity interest in the Target Company at a consideration of approximately RMB71,626,000 (equivalent to approximately HK\$73,775,000), subject to adjustment. Upon completion, the Target Company will become an indirect 75% owned subsidiary of the Company.

Details of the Sales and Purchase Agreement have been published in the Company's announcement dated 27th June, 2007.



## 38. 主要附屬公司

本公司之主要附屬公司於二零零七年三月三十一日之詳情如下：

## 38. Principal Subsidiaries

Details of the Company's principal subsidiaries at 31st March, 2007 are as follows:

公司名稱 Name of company	成立/ 註冊地點 Place of incorporation/ registration	已發行股本/ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有應佔 已發行股/註冊 股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
億澤發展有限公司 Base Rich Development Limited	香港 Hong Kong	普通股 – 2港元 Ordinary – HK\$2	100%	物業投資 Property investment
Bauhinia Paints Limited	英屬處女群島 British Virgin Islands	普通股 – 1,000港元 Ordinary – HK\$1,000	100%	投資控股 Investment holding
紫荊花製漆(成都)有限公司 Bauhinia Paints Manufacturing (Chengdu) Co., Limited	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 28,000,000 人民幣 Capital Contribution – RMB\$28,000,000	100%	製造和買賣 溶劑及塗料 Manufacture of and trading in Solvents and Coatings
大中漆廠有限公司 Bauhinia Paints Manufacturing Limited	香港 Hong Kong	普通股 – 20港元 遞延股 – 600,000 港元 Ordinary – HK\$20 Deferred – HK\$600,000	100%	買賣溶劑及塗料 Trading in Solvents and Coatings
紫荊花製漆(上海)有限公司 Bauhinia Paints Manufacturing (Shanghai) Co., Ltd	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 3,600,000 美元 Capital Contribution – US\$3,600,000	100%	製造和買賣 溶劑及塗料 Manufacture of and trading in Solvents and Coatings
紫荊花製漆(深圳)有限公司 (前稱深圳大中化工有限公司) Bauhinia Paints Manufacturing (Shenzhen) Co., Ltd (Formerly known as Shenzhen Da Chong Chemical Ltd.)	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 10,000,000 港元 Capital Contribution – HK\$10,000,000	100%	製造和買賣 溶劑及塗料 Manufacture of and trading in Solvents and Coatings
紫荊花製漆(汕頭)有限公司 Bauhinia Paints Manufacturing (Shantou) Co., Ltd	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 8,000,000 港元 Capital Contribution – HK\$8,000,000	100%	製造和買賣 溶劑及塗料 Manufacture of and trading in Solvents and Coatings

### 38. 主要附屬公司 (續)

### 38. Principal Subsidiaries (continued)

公司名稱 Name of company	成立/ 註冊地點 Place of incorporation/ registration	已發行股本/ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有應佔 已發行股/註冊 股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
Bauhinia Paints (Thailand) Manufacturing Limited	泰國 Thailand	普通股 – 250,000 銖 Ordinary – Baht 250,000	49%*	物業投資 Property investment
洋紫荊油墨(中山)有限公司 Bauhinia Variegata Ink & Chemicals (Zhongshan) Ltd.	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 39,000,000 港元 Capital Contribution – HK\$39,000,000	100%	製造和買賣塗料 Manufacture of and trading in Coatings
洋紫荊油墨(浙江)有限公司 Bauhinia Variegata Ink & Chemicals (Zhejiang) Ltd.	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 1,300,000 美元 Capital Contribution – US\$1,300,000	100%	製造和買賣塗料 Manufacturing of and trading in Coatings
凌志潤滑油(廣州保稅區) 貿易有限公司 Best Lubricant Blending (Guangzhou Free Trade Zone) Trading Ltd.	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 200,000 美元 Capital Contribution – US\$200,000	100%	買賣潤滑油 Trading in Lubricants
凌志潤滑油有限公司 Best Lubricant Blending Limited	香港 Hong Kong	普通股 – 2 港元 Ordinary – HK\$2	100%	買賣潤滑油 Trading in Lubricants
大勇投資有限公司 Big Youth Investments Limited	香港 Hong Kong	普通股 – 10,000 港元 Ordinary – HK\$10,000	100%	物業投資 Property investment
協和化工倉儲有限公司 Concord Chemical Storing Limited	香港 Hong Kong	普通股 – 160,000 港元 Ordinary – HK\$160,000	75%	投資控股 Investment holding
道名企業管理諮詢服務 (深圳)有限公司 Dao Ming Business Management Consultancy Service (Shenzhen) Co., Ltd.	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 1,000,000 港元 Capital Contribution – HK\$1,000,000	100%	企業管理及諮詢服務 Corporate management and consultation services

### 38. 主要附屬公司(續)

### 38. Principal Subsidiaries (continued)

公司名稱 Name of company	成立/ 註冊地點 Place of incorporation/ registration	已發行股本/ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有應佔 已發行股/註冊 股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
東莞恒昌化工有限公司 Dongguan Hang Cheung Petrochemical Limited	中國大陸 — 獨資外資企業 Mainland China — wholly owned foreign enterprise	資本貢獻 — 10,000,000 港元 Capital Contribution — HK\$10,000,000	100%	製造和買賣 溶劑及塗料 Manufacture of and trading in Solvents and Coatings
東莞太平洋博高潤滑油有限公司 Dongguan Pacoil Lubricant Co., Ltd	中國大陸 — 獨資外資企業 Mainland China — wholly owned foreign enterprise	資本貢獻 — 50,000,000 港元 Capital Contribution — HK\$50,000,000	60%	製造和買賣潤滑油 Manufacture of and trading in Lubricants
大昌樹脂(惠州)有限公司 (前稱惠陽大昌工業有限公司) Dachang Polymers (Huizhou) Ltd. (Formerly know as Hui Yang Da Chang Industrial Limited)	中國大陸 — 獨資外資企業 Mainland China — wholly owned foreign enterprise	資本貢獻 — 22,000,000 港元 Capital Contribution — HK\$22,000,000	100%	製造和買賣塗料 Manufacture of and trading in Coatings
Full Power Investments Limited	英屬處女群島 British Virgin Islands	普通股—1 美元 Ordinary – US\$1	100%	投資控股 Investment holding
金群有限公司 Goldchain Limited	香港 Hong Kong	普通股—2 港元 Ordinary – HK\$2	100%	物業投資 Property investment
萬潤有限公司 Great Success Limited	西薩摩亞 Western Samoa	普通股—1 美元 Ordinary – US\$1	100%	投資控股 Investment holding
廣州藍俊國際貿易有限公司 Guangzhou Lan Jun International Trading Limited	中國大陸 — 獨資外資企業 Mainland China — wholly owned foreign enterprise	資本貢獻 — 200,000 美元 Capital Contribution — US\$200,000	60%	買賣潤滑油 Trading in Lubricants
謙信化工發展有限公司 Handsome Chemical Development Limited	香港 Hong Kong	普通股—600,000 港元 Ordinary – HK\$600,000	100%	投資控股 Investment holding

### 38. 主要附屬公司 (續)

### 38. Principal Subsidiaries (continued)

公司名稱 Name of company	成立/ 註冊地點 Place of incorporation/ registration	已發行股本/ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有應佔 已發行股/註冊 股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
謙信化工服務有限公司 Handsome Chemical Services Limited	香港 Hong Kong	普通股 – 60,000 港元 Ordinary – HK\$60,000	100%	提供司庫服務 Provision of treasury services
恒昌塗料(惠陽)有限公司 Hang Cheung Coatings (Hui Yang) Limited	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 13,900,000 美元 Capital Contribution – US\$13,900,000	100%	製造和買賣 溶劑及塗料 Manufacture of and trading in Solvents and Coatings
Hang Cheung Petrochemical (International) Limited	英屬處女群島 British Virgin Islands	普通股 – 1 美元 Ordinary – US\$1	100%	製造和買賣 溶劑及塗料 Manufacture of and trading in Solvents and Coatings
恒昌石油化工有限公司 Hang Cheung Petrochemical Limited	香港 Hong Kong	普通股 – 800,000 港元 Ordinary – HK\$800,000	100%	製造和買賣 溶劑及塗料 Manufacture of and trading in Solvents and Coatings
恒昌採購及物流有限公司 Hang Cheung Procurement & Logistics Limited	香港 Hong Kong	普通股 – 2 港元 Ordinary – HK\$2	100%	採購溶劑及塗料 Merchandising of Solvents and Coatings
Hang Cheung (W.S.) Limited	西薩摩亞 Western Samoa	普通股 – 1 美元 Ordinary – US\$1	100%	投資控股 Investment holding
香港紫荊花製漆(大中華)有限公司 Hong Kong Bauhinia Paints Manufacturing (Greater China) Company Limited	香港 Hong Kong	普通股 – 149,665 港元 遞延股 – 335 港元 Ordinary – HK\$149,665 Deferred – HK\$335	100% **	投資控股 Investment holding

## 38. 主要附屬公司(續)

## 38. Principal Subsidiaries (continued)

公司名稱 Name of company	成立/ 註冊地點 Place of incorporation/ registration	已發行股本/ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有應佔 已發行股/註冊 股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
江門謙信化工發展有限公司 Jiangmen Handsome Chemical Development Ltd.	中國大陸 — 合資合營企業 Mainland China — equity joint venture	資本貢獻 — 44,800,000 港元 Capital Contribution — HK\$44,800,000	75%	製造和買賣溶劑 Manufacture of and trading in Solvents
江門恒華化工發展有限公司 Jiangmen Heng Wah Chemical Development Limited	中國大陸 — 獨資外資企業 Mainland China — wholly owned foreign enterprise	資本貢獻 — 6,000,000 港元 Capital Contribution — HK\$6,000,000	75%	製造和買賣溶劑 Manufacture of and trading in Solvents
江門天誠溶劑製品有限公司 Jiangmen Thansome Solvents Production Ltd.	中國大陸 — 獨資外資企業 Mainland China — wholly owned foreign enterprise	資本貢獻 — 53,000,000 港元 Capital Contribution — HK\$53,000,000	75%	製造和買賣溶劑 Manufacture of and trading in Solvents
太平洋石油有限公司 Pacific Oil & Chemical Company Limited	香港 Hong Kong	普通股— 290,000 港元 Ordinary – HK\$290,000	60%	製造和買賣潤滑油 Manufacture of and trading in Lubricants
太平洋特種潤滑油有限公司 Pacific Special-Lube Limited	香港 Hong Kong	普通股— 10,000 港元 Ordinary – HK\$10,000	60%	製造和買賣潤滑油 Manufacture of and trading in Lubricants
Primer Limited	西薩摩亞 Western Samoa	普通股— 1 美元 Ordinary – US\$1	100%	投資控股 Investment holding
Prophet Investments Limited	英屬處女群島 British Virgin Islands	普通股— 1 美元 Ordinary – US\$1	100%	投資控股 Investment holding
廣州潤豐貿易有限公司 Runfeng (Guangzhou) Trading Co., Ltd.	中國大陸 — 獨資外資企業 Mainland China — wholly owned foreign enterprise	資本貢獻 — 200,000 美元 Capital Contribution — US\$200,000	60%	買賣潤滑油 Trading in Lubricants

### 38. 主要附屬公司 (續)

### 38. Principal Subsidiaries (continued)

公司名稱 Name of company	成立/ 註冊地點 Place of incorporation/ registration	已發行股本/ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有應佔 已發行股/註冊 股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
深圳凌志潤滑油有限公司 Shenzhen Best Lubricant Blending Limited	中國大陸 — 獨資內資企業 Mainland China — wholly owned domestic enterprise	資本貢獻 — 1,000,000 人民幣 Capital Contribution — RMB\$1,000,000	100%	買賣潤滑油 Trading in Lubricants
天津凌志潤滑油有限公司 Tianjin Best Lubricant Blending Co., Limited	中國大陸 — 獨資外資企業 Mainland China — wholly owned foreign enterprise	資本貢獻 — 8,400,000 港元 Capital Contribution — HK\$8,400,000	100%	製造及買賣潤滑油 Manufacture of and trading in Lubricants
TM Holding Limited	英屬處女群島 British Virgin Islands	普通股—1 港元 Ordinary—HK\$1	100%	持有商標 Holding of trade-mark
道爾採購物流 (澳門離岸商業服務) 有限公司 (前稱謙信 (澳門 離岸商業服務) 有限公司) Totalle Procurement Logistics (Macao Commercial offshore) Limited (Formerly known as Handsome Chemical (Macao Commercial offshore) Limited)	澳門 Macau	普通股—100,000 葡幣 Ordinary—MOP\$100,000	100%	商業代辦及中介服務； 遙距售賣業務及行政 Commercial and services agents, oversea selling activities and back offices
葉氏恒昌 (集團) 有限公司 Yip's H.C. (Holding) Limited	香港 Hong Kong	普通股—999,500 港元 遞延股—500 港元 Ordinary—HK\$999,500 Deferred—HK\$500	100%**	投資控股及提供服務 Investment holding and provision of services
葉氏化工 (上海) 有限公司 Yip's Chemical (Shanghai) Co., Limited	中國大陸 — 獨資外資企業 Mainland China — wholly owned foreign enterprise	資本貢獻 — 2,500,000 美元 Capital Contribution — US\$2,500,000	100%	製造和買賣溶劑及塗料 Manufacture of and trading in Solvents and Coatings
Yip's Chemical (BVI) Ltd. (Formerly known as Yip's Hang Cheung (Holdings) BVI Ltd.)	英屬處女群島 British Virgin Islands	普通股—500 港元 Ordinary—HK\$500	100%	投資控股 Investment holding

## 38. 主要附屬公司(續)

## 38. Principal Subsidiaries (continued)

公司名稱 Name of company	成立/ 註冊地點 Place of incorporation/ registration	已發行股本/ 註冊資本之面值 Nominal value of issued capital/ registered capital	集團持有應佔 已發行股/註冊 股本之百分比 Proportional of nominal value of issued share capital/ registered capital held by the Group	主要業務 Principal activities
葉氏油墨有限公司 Yip's Ink and Chemicals Company Limited	香港 Hong Kong	普通股-200港元 Ordinary - HK\$200	100%	買賣塗料 Trading in Coatings
葉氏油墨(集團)有限公司 Yip's Ink & Chemicals (Group) Limited	香港 Hong Kong	普通股-2港元 Ordinary - HK\$2	100%	投資控股 Investment holding
葉氏油墨(上海)有限公司 Yip's Ink & Chemicals (Shanghai) Company Limited	中國大陸 - 獨資外資企業 Mainland China - wholly owned foreign enterprise	資本貢獻 - 4,340,000美元 Capital contribution - US\$4,340,000	100%	製造和買賣塗料 Manufacture of and trading in Coatings
葉氏油墨(中山)有限公司 Yip's Ink & Chemicals (Zhongshan) Company Limited	中國大陸 - 獨資外資企業 Mainland China - wholly owned foreign enterprise	資本貢獻 - 26,000,000 港元 Capital Contribution - HK\$26,000,000	100%	製造和買賣塗料 Manufacture of and trading in Coatings
葉氏工業控股有限公司 Yip's Industrial Holdings Limited	香港 Hong Kong	普通股-10,000 港元 Ordinary - HK\$10,000	75%	投資控股 Investment holding
Yip's Pacific Limited	英屬處女群島 British Virgin Islands	普通股-36,251,000 港元 Ordinary - HK\$36,251,000	60%	投資控股 Investment holding
湛江凌志潤滑油有限公司 Zhanjiang Best Lubricant Blending Ltd.	中國大陸 - 合資合營企業 Mainland China - equity joint venture	資本貢獻 - 3,800,000美元 Capital Contribution - US\$3,800,000	***	買賣潤滑油 Manufacture of and trading in Lubricants

### 38. 主要附屬公司(續)

\* 由本公司控制 Bauhinia Paints (Thailand) Manufacturing Limited 董事會之組成，此公司被視為本公司之附屬公司。

\*\* 非由本集團持有之遞延股份無權收取股息或任何本公司股東大會之通告或出席任何本公司股東大會或在會上投票。在清盤時，倘普通股持有人(即本集團)已獲全數退還就該等股份支付之資本共 100,000,000,000 港元，則遞延股份持有人方有權從本公司剩餘資產中獲退還就無投票權遞延股份支付之資本。

\*\*\* 湛江凌志視為本公司之全資附屬公司，詳情載於財務報告附註 35。

除 Yip's Chemical (BVI) Ltd. 由本公司直接持有外，所有其它附屬公司均為間接持有。除在「主要業務」一節另加說明外，所有附屬公司主要營業地點均為其各自成立／註冊之地區。

上表所列本集團之附屬公司乃董事認為會影響本集團業績或資產負債之主要附屬公司。董事認為列載其他附屬公司之詳情將過於冗長累贅。

各附屬公司於二零零七年三月三十一日或年內任何時間概無任何借貸證券。

### 38. Principal Subsidiaries (continued)

\* As the Company controls the composition of the board of directors of Bauhinia Paints (Thailand) Manufacturing Limited, this company is treated as a subsidiary of the Company.

\*\* The deferred shares, which are not held by the Group, carry no right to dividend or to receive notice of or to attend or vote at any general meeting of the company. On a winding-up, the holders of the deferred shares are entitled out of the surplus assets of the company to a return of capital paid up on the non-voting deferred shares but only when holders of ordinary shares, namely, the Group, have received in full the return of capital paid on them and, in aggregate, a total sum of HK\$100,000,000,000.

\*\*\* As detailed in note 35, ZBLB is deemed to be a wholly-owned subsidiary of the Company.

Except for Yip's Chemical (BVI) Ltd. which is held directly by the Company, all other subsidiaries are indirectly held. All subsidiaries operate principally in their respective places of incorporation/registration unless specified otherwise under the heading "Principal activities".

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities subsisting at 31st March, 2007 or at any time during the year.



## 39. 本公司的財務資料

## 39. Financial Information of the Company

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
非流動資產	<b>Non-current assets</b>		
於附屬公司之投資(附註a)	Investment in subsidiaries (note a)	112,700	112,700
流動資產	<b>Current assets</b>		
其他應收賬款及預付款項	Other debtors and prepayments	355	177
一間附屬公司之欠款	Amount due from a subsidiary	372,363	395,523
銀行結餘	Bank balances	786	237
		373,504	395,937
流動負債	<b>Current liabilities</b>		
應計費用	Accrued charges	590	762
流動資產淨值	<b>Net current assets</b>	372,914	395,175
資產淨值	<b>Net assets</b>	485,614	507,875
股本及儲備	<b>Capital and reserves</b>		
股本(附註29)	Share capital (note 29)	48,164	47,656
儲備(附註b)	Reserves (note b)	437,450	460,219
股東資金	<b>Shareholders' funds</b>	485,614	507,875
附註：	Notes:		
(a) 於附屬公司之投資	(a) Investment in subsidiaries		

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
非上市股份，按成本入賬	Unlisted shares, at cost	112,700	112,700

非上市股份之賬面值乃根據Yip's Chemical (BVI) Ltd. 及其附屬公司於一九九一年本公司透過集團重組成為最終控股公司當日之基本資產賬面淨值而計算。

本公司於二零零七年三月三十一日之附屬公司詳情載於財務報告附註38。

The carrying value of the unlisted shares is based on the book values of the underlying net assets of Yip's Chemical (BVI) Ltd. and its subsidiaries at the date on which the Company became the ultimate holding company under the group reorganisation in 1991.

Detail of the Company's principal subsidiaries at 31st March, 2007 are set out in note 38.

### 39. 本公司的財務資料(續)

(b) 儲備

### 39. Financial Information of the Company

(continued)

(b) Reserves

		股份溢價 Share premium 千港元 HK\$'000	特別儲備 Special reserve 千港元 HK\$'000	回購儲備 Capital redemption reserve 千港元 HK\$'000	購股權儲備 Share option reserve 千港元 HK\$'000	累計溢利 Retained profits 千港元 HK\$'000	合計 Total 千港元 HK\$'000
本公司	THE COMPANY						
於二零零五年四月一日	At 1st April, 2005	228,622	77,700	5,038	–	121,835	433,195
被認作以股份為基準的 付款支出	Recognition of equity settled share-based payment	–	–	–	1,258	–	1,258
因購股權行使而發行 股份之溢價	Share issued at premium upon exercise of share options	5,505	–	–	(110)	–	5,395
本年度純利	Profit for the year	–	–	–	–	79,741	79,741
已付股息	Dividends paid	–	–	–	–	(59,370)	(59,370)
於二零零六年 三月三十一日	At 31st March, 2006	234,127	77,700	5,038	1,148	142,206	460,219
因購股權行使而發行 股份之溢價	Share issued at premium upon exercise of share options	9,534	–	–	(541)	–	8,993
本年度純利	Profit for the year	–	–	–	–	49,935	49,935
已付股息	Dividends paid	–	–	–	–	(81,697)	(81,697)
於二零零七年 三月三十一日	At 31st March, 2007	<u>243,661</u>	<u>77,700</u>	<u>5,038</u>	<u>607</u>	<u>110,444</u>	<u>437,450</u>

可予分派之特別儲備為 Yip's Chemical (BVI) Ltd. 於本公司收購其股份當日之基本資產賬面淨值與本公司就收購事項發行股份之面值兩者之差額。

The special reserve of the Company, which is available for distribution, represents the difference between the book values of the underlying net assets of Yip's Chemical (BVI) Ltd. at the date on which its shares were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition.



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